ECONOMIC REPORT OF THE PRESIDENT

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Economic Report of the President

Transmitted to the Congress
January 1976

TOGETHER WITH
THE ANNUAL REPORT
OF THE
COUNCIL OF ECONOMIC ADVISERS

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ECONOMIC REPORT OF THE PRESIDENT

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ECONOMIC REPORT OF THE PRESIDENT

To the Congress of the United States:

As we enter 1976, the American public still confronts its two greatest personal concerns: inflation and unemployment. As valid as those concerns are, we should not let them overshadow the very genuine progress we have made in the past year. The underlying fact about our economy is that it is steadily growing healthier. My policies for 1976 are intended to keep us on that upward path.

A year ago the economy was in the midst of a severe recession with no immediate end in sight. Exceptionally strong inflationary forces were just beginning to abate, and the prospects for containing unemployment were not bright.

It is now clear that we have made notable progress. The sharpest recession in the post-World War II period hit bottom last spring, and a substantial recovery is now under way. There were 85.4 million Americans at work in December, 1.3 million more than during March of 1975. While the rate of unemployment remains far too high, it is slowly moving in the right direction. There have also been appreciable advances in reducing the rate of inflation. The increase in the consumer price index was 7 percent between December 1974 and December 1975, down from a rate of more than 12 percent during the previous 12 months.

In reviewing 1975 it is also wise to remember the large number of potentially serious economic problems that did *not* materialize. The financial crisis that some predicted did not occur. The recession did not deepen into a cumulative depression. There was no collapse in international trade and investment. The price of bread never rose to a dollar, nor did the price of gasoline. We did not experience corrosive social unrest as a consequence of our economic difficulties. While I do not regard the events of 1975 as fully satisfactory by any measure, we should find it reassuring that our economic system withstood severe strains and displayed inherent strengths during the year. I am confident that with responsible and appropriate policies we can achieve sustained economic progress in the future.

Unfortunately there is no simple formula or single act that will quickly produce full economic health. It has taken many years for excessive stimulation, combined with external shocks like the quintupling of international oil prices, to create the economic difficulties of 1974 and 1975, and it will take several years of sound policies to restore sustained, noninflationary growth. I will not make promises which I know, and you know, cannot be kept. We must restore the strength of the American economy as quickly as we can; but in so doing we cannot ignore the dangers of refueling inflationary forces, because unchecked inflation makes steady growth and full employment impossible. The events of the past several years have once again convincingly demonstrated that accelerating inflation causes instability and disruptions, increases unemployment, and ultimately precludes real prosperity.

It is often said that we must choose between inflation and unemployment, and that the only way to reduce unemployment is to accept chronic inflation or rigid controls. I reject this view. Inflation and unemployment are not opposites but are related symptoms of an unhealthy economy. The latter months of 1974 illustrate the relationship between inflation and unemployment. Sharply rising prices created a climate of uncertainty and were to blame for part of the massive reduction in the purchasing power of household assets placed in savings accounts and investment securities. In turn, consumers cut back on expenditures; and consequently inventories, already swollen by speculative buying, backed up in distribution channels. By the early months of 1975 there were sharp cutbacks in production and employment. Thus inflation played a significant part in the surge of unemployment, and if we have a new round of inflation it is likely to bring still more unemployment. Chronically high unemployment is an intolerable waste of human resources and entails an unacceptable loss of material production. Clearly, we must attack inflation and unemployment at the same time; our policies must be balanced.

My economic program for 1976 has three parts: First, a long-term continuation of the effort to revive the American economy; second, implementation of the many programs necessary to provide cushions for the unemployed during the transition to a healthy economy; and third, the elimination of Government policies and institutions that interfere with price flexibility and vigorous competition.

I. My key economic goal is to create an economic environment in which sustainable, noninflationary growth can be achieved.

When private spending is depressed, Government can properly absorb private savings and provide fiscal stimulus to the economy. But in the longer run, a viable, steady increase in prosperity is only possible if we have a vigorous private sector. My policies are designed to support the

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long-term growth of the economy by fostering an environment in which the private sector can flourish.

Increased capital formation is essential to meeting our long-term goals of full employment and noninflationary growth. Although there is no shortage of industrial capacity at the present time, many of our current priorities—to become independent in energy, to improve the environment, to create more jobs, and to raise our living standards—require increased investment. This means that business investment in plant and equipment as a share of gross national product must increase. We must also slow the growth of Federal spending in the years immediately ahead, so that mounting claims by the Federal Government on our economic resources will not prevent an adequate flow of savings into capital investments.

Accordingly, I am recommending that budget savings be refunded to the American taxpayer by means of tax cuts. I have proposed an annual tax cut of $28 billion from 1974 levels, effective July 1, 1976. If we continue in the years ahead to pursue the kind of budgetary restraint which I am recommending, another major tax cut will be feasible by 1979. I strongly believe that the individual wage earner has the right to spend his own money on the goods and services he wants, rather than having the Government increase its control over the disposition of his income.

II. Regrettably, a full recovery of the economy will take time. Overly rapid growth could lead to a renewed increase in inflation that would ultimately be self-defeating. In the interim we must be mindful of those who have lost their jobs or who are in fear of losing the jobs they hold. While the problems of unemployment can be solved only by restoring the basic strength of our economy, the hardships of unemployment and insecure employment require immediate treatment. In December 1974 and in March 1975, I signed into law major expansions in the duration and coverage of unemployment insurance. These changes eased the financial burden of 3.6 million Americans who were unemployed for a part of last year. Programs in my fiscal 1977 budget will also provide 3.6 million Americans with opportunities for training and employment.

These cushions to unemployment should be viewed as only temporary remedies. They are not a substitute for productive jobs in the private sector. The only way that such jobs can be produced is by restoring the vitality of private industry, which today employs five out of six American workers.

III. Success in promoting healthy economic growth and a vigorous private economy depends to a large extent on our eliminating Government policies and institutions which interfere with competition. Tradi-

tionally the American system has relied on competition to organize production and to encourage economic progress. The Government, however, has attempted to correct imperfections in competition by regulating prices and the quality of services in many different industries. This attempt has been less than a complete success. Regulation has been useful in curbing the pricing power of certain monopolies and in fostering the growth of new industries, such as air transportation in the 1940s and 1950s. It has also helped to ensure compliance with such publicly determined social goals as clean air and safe working conditions. But in several industries, regulation has been used to protect and support the growth of established firms rather than to promote competition.

Over the years, Government regulation has also had many other undesirable effects. Besides reducing competition in many instances, it has also imposed on complying firms enormous burdens, which raise business costs and consumer prices.

Increasing competition from world markets and the need to maintain and improve the standard of living of a growing population require constant improvement of the American market system. For this reason I have asked the Congress to legislate fundamental changes in the laws regulating our railroads, airlines, and trucking firms. The new amendments will free these companies to respond more flexibly to market conditions. I have also urged deregulation of the price of natural gas and sought essential pricing flexibility for the oil and electric utilities industries. We will continue to improve all essential protection for public health and safety, trying at the same time not to increase unnecessarily the cost to the public. My object is to achieve a better combination of market competition and responsible Government regulation. The programs I have advanced in recent months have sought such a balance, and I will continue this course in 1976.

Striking a new regulatory balance is likely to entail some economic and social costs during a period of transition, and changes must therefore be phased in carefully. In the long run, however, a revitalized market system will bring significant benefits to the public, including lower prices.

While our policies focus primarily on the economy of the United States, we recognize that the range of our interests does not stop at our shores. The other major countries of the world are also recovering from the most serious recession they have experienced since the 1930s. Their first economic priority, like ours, is to put their economies on a sustainable, noninflationary growth path. Success in this endeavor, more than anything else, will help developed and developing countries alike achieve higher standards of living.

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In recent years the economies of most nations suffered from extraordinarily high inflation rates, due in large part to the quintupling of the world price for oil, and then moved into a deep recession. The simultaneity of this experience demonstrated once again the strong interdependence of the world's economies. Individual countries have become progressively more dependent on each other as a freer flow of goods, services, and capital has fostered greater prosperity throughout the world. Because of this growing interdependence, however, domestic policy objectives cannot be achieved efficiently unless we also take account of economic changes and policy goals in other countries.

In recognition of our growing interdependence, I have consulted closely with the heads of other governments, individually and jointly. At the Economic Summit at Rambouillet last November, I met with the heads of government of five other major industrial countries. There we laid the foundation for closer understanding and consultation on economic policies. During 1975 we also began discussions on international cooperation with both the developed and the less developed countries. This dialogue will assure a better mutual understanding of our problems and aspirations. Finally, I have agreed with my foreign colleagues that, in order to create the proper conditions for lasting and stable growth, we must take important, cooperative steps in monetary matters, trade, and energy. We have directed our trade officials to seek an early conclusion to the continuing negotiations on liberalization of trade. This month in Jamaica we reached significant agreements on strengthening the international monetary system and providing increased support for the developing countries. We have also begun to cooperate more closely with oil-consuming countries in the effort to become less dependent on imported energy. I intend to consolidate and build upon this progress in 1976.

Of central concern both here and abroad is U.S. energy policy. Without a vigorous and growing industry supplying domestic energy, much of our industrial development in the next 10 years will be uncertain. And unless we can reduce our dependency on Middle East oil, we will not have a sound basis for international cooperation in the development of new fossil fuel and other energy sources.

As an initial step toward greater self-sufficiency, I signed the Energy Policy and Conservation Act in December 1975. I concluded that this act, though deficient in some respects, did provide a vehicle for moving us toward our energy goals. With this mechanism the price of petroleum can be allowed to rise to promote domestic supply and to restrain consumption. At the end of 40 months, under the act, I may remove price controls altogether, and I will utilize the provisions of the act to

move toward a free market in petroleum as quickly as is possible and consistent with our larger economic goals. The act offers flexibility, which I have already used to start dismantling price controls and allocation arrangements in fuel markets where no shortages exist. The legislation also establishes a national strategic petroleum reserve which will make our supply of energy more secure and give other nations less inducement to impose an oil embargo.

Measures crucial to our energy future still remain to be enacted, however. Natural gas deregulation is now the most pressing of the issues on energy before the Congress: shortages grow year by year, while the country waits for more testimony on supply and demand, or waits for extremely expensive new synthetic gas plants to replace the natural gas production choked off by price controls. I urge the Congress to make deregulation of new natural gas one of its first objectives in 1976. The legislation I have proposed in order to assure adequate supplies of fuel for nuclear power plants is also critical. If we are to improve our energy situation, these measures are necessary. They will also reinforce our efforts to remove unnecessary and deleterious Government interference in economic activities where the consumer is adequately protected by market forces.

A year ago I said, "The year 1975 must be the one in which we face our economic problems and start the course toward real solutions." I am pleased with the beginning we have made. The course is a long one, but its benefits for all Americans make the journey worthwhile. The year 1976 must be one in which we will continue our progress toward a better life for all Americans.

Gerald R. Ford

JANUARY 26, 1976.

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LETTER OF TRANSMITTAL

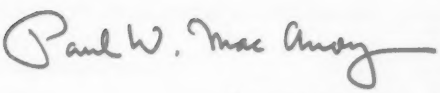
COUNCIL OF ECONOMIC ADVISERS,
Washington, D.C., January 22, 1976.

THE PRESIDENT:

SIR: The Council of Economic Advisers herewith submits its Annual Report, January 1976, in accordance with Section 4(c)(2) of the Employment Act of 1946.

Respectfully,

ALAN GREENSPAN,
Chairman.



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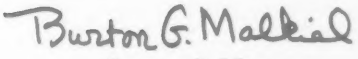

BURTON G. MALKIEL.

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CHAPTER 1

Economic Policy and Outlook

THE U.S. ECONOMY is now recovering from the most severe recession in postwar history. Spurred by a lower inflation rate, tax cuts, and increasing employment, significant gains have already been made in the purchasing power of consumers. Production has been rising rapidly since the spring of last year. But because this recovery started from very low levels of resource utilization, unemployment will almost surely remain distressingly high this year even though large gains in employment are expected during 1976. The social hardships and economic waste associated with the current level of unemployment should not be underestimated. Accordingly, we must seek to lower unemployment as rapidly as is consistent with the need to ensure that the reductions will be lasting. Policies that might speed the decline in unemployment in the short run should not be so expansionary as to lead to increased instability and greater social hardships in the long run. Thus, policies for 1976 must attempt to sustain the recovery now in progress but at a pace sufficiently moderate to prevent renewed imbalances and a rise in inflation. They must also continue to mitigate the hardships associated with high unemployment. At the same time, our present policies must lay the foundations for a long period of steady growth.

THE NEED FOR A DURABLE RECOVERY

Because we began the present recovery with more slack than in any of the previous postwar cycles, a much longer period of above-average growth will be required for a return to full resource utilization. Even under the best of circumstances the return to full employment cannot realistically be accomplished this year or next. To ensure that we return to high levels of resource utilization—as is our objective—the recovery must therefore be a durable one.

Our best estimate is that real gross national product (GNP) will be 6 to 6½ percent higher in 1976 than in 1975. This growth rate is not a goal. Rather, it is a projected outcome of the forces of recovery that were set in motion in 1975, by stimulative fiscal measures, by a return of consumer and business confidence, and by external economic factors discussed elsewhere in this *Report*. The availability of much unemployed labor and unused plant capacity requires that economic policy should continue

to support an economic expansion at growth rates significantly above the long-term growth of capacity output. But our knowledge of the interdependence between real growth and inflation is not sufficiently precise to permit a direct translation from general goals to specific targets. As a consequence, policies cannot be designed to reach any particular targets with a high degree of confidence. We believe, however, that policies consistent with a moderate but sustained recovery offer a far safer and surer route to full employment than policies which attempt to engineer a very rapid return to full capacity. What we need is a durable recovery—not a boom that carries the seeds of renewed instability in prices, incomes, and employment. Our view is based on several considerations.

The difficult inflationary period through which we have come makes it likely that overly expansionary policies, which risk increasing inflationary pressures, will quickly influence consumers' and producers' expectations. It is a harsh fact of economic life that expectations of inflation are built into labor and other contracts in such a way as to be partly self-fulfilling. Moreover, increased inflationary expectations could restrain both consumption and investment expenditures and thus jeopardize long-term economic goals. High and variable rates of inflation not only create imbalances and sectoral distortions by capriciously changing the real value of existing contracts, but they also raise risk premiums in investment decisions and in wage bargains. As such, inflation could pose a major threat to the viability of the present recovery. Policies that are perceived to entail higher inflation risks may not, therefore, affect economic activity and employment in a way that would normally be expected. Even if such policies should succeed in accelerating the recovery in the short run, it would be difficult to decelerate from unusually rapid growth rates to sustainable rates without running the risk of amplifying future fluctuations in economic activity.

There is a lesson to be drawn from past policy mistakes. The history of monetary and fiscal policies demonstrates that we have a great deal to learn about implementing discretionary policy changes. Our ability to forecast is at best imperfect, especially in an increasingly complex and interdependent world, and the difficulties in forecasting grow larger as we extend the period for which the forecast is made. This is a significant problem because of the time lags involved in altering the pace of economic activity through discretionary monetary and fiscal actions. There is a perception lag in diagnosing the problem, a reaction lag in selecting the appropriate response, and an implementation lag in having the policy prescription accepted and put into effect through our political and administrative processes.

We also lack reliable estimates of how long it takes before the economy responds to policies once they are undertaken and how large the response will be. This is especially true now because the high rates of inflation in recent years have made price expectations a much more important deter-

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minant of consumer and business behavior than they formerly were, but there has not been sufficient experience to pin down how inflationary processes affect key relationships within the economy. With respect to fiscal policy there is the additional complication that countercyclical increases in Government expenditures are difficult to check during later upswings. Because countercyclical policy changes may be slow to take hold and then hard to reverse, their effects may extend well past the time when they are most needed. Consequently a significant danger exists that, instead of smoothing economic fluctuations, discretionary changes in policy aimed at demand management may themselves become a source of economic instability.

The proper conclusion is not that we should forswear the use of discretionary policy. Some external shocks to the economic system can and should be offset. Furthermore, provided the growth in Federal outlays becomes more moderate than in the years just past, occasional discretionary adjustments of the income tax schedules are called for in order to prevent excessive growth in Federal taxes. In fact these changes may have to be more frequent if the rate of inflation continues at a somewhat higher average level than at comparable levels of economic activity in the past. Thus, discretionary policies do have an important function in our economic system. But we must be mindful of the great difficulties in successfully executing countercyclical policies.

What is called for in our judgment is a steadier course in macroeconomic policies than has been followed in the past. We should set policies broadly consistent with sustainable long-term noninflationary growth and try to limit the size and duration of any policy deviations that promise short-term benefits but risk interfering with our long-run goals. The severity of the recent recession does call for maintaining stimulative economic policies to accommodate an expansion of real output at a rate above that sustainable in the long run. But departures from the policies that are appropriate in the long run should be moderate. If we do not commit ourselves to a gradual recovery over a period of years, we may increase economic instability and lose our chance for sustainable growth, which we believe offers the safest and surest route to full employment in future years.

MONETARY AND FISCAL POLICIES

It is much easier to enunciate the general principle of stability in policy than to apply it to specific circumstances. The challenge to current monetary and fiscal policy is to set the stage for a gradual transition from stimulation, which is still needed in the current year, to a set of policies appropriate for long-run growth.

The monetary authorities recognize that the present levels of output and employment are still very far from satisfactory. Yet concern with the achievement of greater economic stability in future years suggests that any rate of growth in money which is at the upper limit of the tolerance range an-

nounced by the Federal Reserve (7½ percent for M_1, 10½ percent for M_2), could not be maintained indefinitely if progress toward lower inflation rates is to continue.

The thrust of fiscal policy will also have to change gradually. Fiscal policy became more expansionary when the recession worsened and unemployment mounted in 1974 and in early 1975. Over the near term, these expansionary fiscal policies will be maintained as most of the provisions of the Tax Reduction Act of 1975 have been extended from the end of last year to the middle of this year through the Revenue Adjustment Act of 1975. Well before passage of that act, the President directed the Office of Management and Budget to examine ways to slow the growth in Federal expenditures so as to prevent further increases in the Government's role in allocating our resources. He further directed that any savings be refunded to taxpayers in order to maintain gains in private purchasing power and employment. The budget which the President has proposed provides for a marked deceleration in the growth of Federal spending, as outlays are to be held to $394 billion in fiscal 1977, which ends in September of next year. Starting in July 1976, taxes are to be cut by about $28 billion relative to what they would be under 1974 law. Because of the recovery, Federal receipts are then expected to grow over three times as fast as outlays between fiscal 1976 and fiscal 1977 causing the deficit to fall by more than $30 billion. However, the full-employment balance on a national income accounts basis, will show little change during calendar 1976 from the $6-billion deficit estimated for the second half of last year. In this way the fiscal policy stimulus will be maintained throughout 1976. It will then be reduced in 1977 because of the proposed increase in social security tax rates and the much faster rise in individual income tax receipts than Federal expenditures.

At the present time, with substantial reserves of labor and capacity available, consumption and investment are complements, not substitutes. Indeed, public expenditures in excess of tax receipts are needed to absorb the excess of private saving over private investment demand at current levels of economic activity. In 1977 and beyond, however, private investment and publicly supported consumption will become increasingly competitive. To avoid inducing a policy and output mix that is incompatible with the requirements of long-term economic growth, fiscal stimulus must be diminished gradually during coming years. Without greater fiscal restraint, the saving flows available for private capital formation might eventually become too small. Furthermore the danger of intensifying inflationary pressures under such conditions would preclude expanding the money supply sufficiently to finance both the Government deficits and the needed improvements and growth in our industrial capacity.

It is this public-versus-private allocation problem to which the President's program tying a $28-billion cut in the growth of Federal outlays to a comparable cut in taxes is addressed. The source of the problem has been the rapid growth in nondefense budget expenditures in recent years. During

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the 1960s some growth in the share of national resources allocated to the nondefense expenditures of the Federal Government was considered desirable in order to alleviate poverty and to accomplish other important social goals. Further growth in the ratio of public expenditures to total output, however, directly bears on fundamental issues concerning the efficiency of the economy, equity for the working population, and the scope for private decision making in our economy.

ENERGY POLICIES

The Energy Policy and Conservation Act enacted in the closing days of 1975 initially reduces the price of crude oil produced domestically, but its immediate effect on the prices of petroleum products is still uncertain. Under this act the 1976 rate of increase in the average price received for domestically produced crude oil will equal the percentage rise in the GNP deflator between preceding quarters. An additional 3 percent increase can be granted during 1976 upon a Presidential finding that this increase will stimulate the supply of domestic petroleum. However, the total price increase may not exceed 10 percent during the first year. The act also authorizes the President to propose further oil price increases, subject to disapproval by either House of Congress. Oil price controls are no longer mandated 40 months after the date of enactment, but the act itself is in force for 5 years. Government controls on the prices of individual petroleum products and on the allocation of these products among consumers can be removed under authority granted by the legislation.

The $2 per barrel special import fee on crude oil was removed in December of last year. In conjunction with the rollback of domestic crude prices at the start of 1976, this is expected to cause the average price of crude oil entering refineries to be somewhat lower during 1976 than it was in 1975, despite the increase in world market prices. Furthermore, because the initial price rollback mandated by the new law will probably not be fully offset by price increases authorized later in 1976, the average price received by domestic producers at the end of 1976 will most likely still be slightly below that received by them at the end of 1975. Whether domestic oil prices approach world market levels by 1979, when controls may be removed, depends on foreign pricing behavior and on the extent to which the authority provided in the act is used to obtain higher prices for domestic production.

While the Energy Policy and Conservation Act clarified the near-term outlook for domestic oil prices, the outlook for both the price and the supply of natural gas remains uncertain. Adequate supplies of natural gas may not be available in 1976 and beyond. Severe curtailments of gas supplies to industry were avoided in both 1974 and 1975 because unusually warm weather and the low level of economic activity reduced demand. Nonetheless, the volume of curtailments rose in each of those years and will almost certainly rise in 1976 as well. When shortages do occur, some of their harmful effects can be alleviated temporarily by emergency procedures adopted by the Fed-

eral Power Commission, but more fundamental changes are necessary. Deregulation of the price of new natural gas, as proposed by the Administration and accepted by the Senate in 1975, would redirect supplies toward their most valuable uses, increase incentives to enlarge future supplies, and lead to reduced imports of oil and liquid natural gas.

THE OUTLOOK

The policies outlined above should sustain the recovery in the near term while providing the foundations for sound growth over the longer term. With real GNP estimated to grow by 6–6½ percent from 1975 to 1976, the unemployment rate should fall by almost a full percentage point. The rate of inflation is expected to continue with little change from late 1975 throughout this year; and hence the GNP deflator, which had risen by 9 percent from 1974 to 1975, should rise by only about 6 percent from 1975 to 1976.

Thus far the recovery has been accelerated by a very sharp change in the behavior of inventories, while real final sales have shown fairly steady growth since the first quarter of last year. As detailed in Chapter 2, the sudden cessation of high rates of inventory liquidation in mid-1975 accounted for a substantial part of the growth in real GNP during the last half of that year. The bulk of excess inventories appears to have been worked off, and more normal rates of inventory accumulation should become evident in 1976. Nevertheless, year over year, almost 1½ percentage points of the growth in real GNP will still be due to the inventory swing. Once inventories reach desired levels, the continued strength of the recovery will depend on the vigor of final demand for goods and services.

CONSUMPTION

Personal consumption expenditures are expected to impart considerable strength to the economy. During 1976 consumption is projected to rise by almost 6 percent in real terms, compared with 3.9 percent during 1975, yielding a year-to-year increase of 5 percent. A close to 6 percent rise during 1976 is consistent with about 5 percent growth in real disposable income, because the average saving rate is projected to fall below the abnormally high 8¼ percent level registered last year. A gradual decline in the saving rate is predicated on year-over-year declines in the rate of increase in consumer prices and in unemployment and layoff rates. Even so, the saving rate for 1976 is expected to remain above its 7 percent average for the previous cycle (1969–73).

Recent experience suggests that consumers react to heightened inflationary expectations by saving more, rather than by advancing their purchases of storable commodities. Thus we expect a fall in desired saving, or a rise in the propensity to consume, as lower inflation rates are incorporated into consumer expectations. Uncertainties which tend to reduce consumption are also created by high unemployment rates and particularly by high rates

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of job layoffs. As the unemployment rate and layoff rate continue to recede, we would therefore expect an alleviation of concern about job security to manifest itself in reduced saving and higher consumption in the household sector. Increased consumer confidence and lower saving rates may also result from the partial restoration during 1975 of the real financial assets of households, which had eroded severely in 1973 and 1974.

Consumer expenditures on durable goods should increase much more rapidly than spending on nondurables and services. The expected rise in automobile production and purchases could become steeper in the second half of this year, when 1977 models with substantially improved fuel economy and engineering features are scheduled for introduction. Sales of furniture and household equipment should be stimulated by the projected rise in housing completions.

In 1975 over one-third of the $91-billion growth in personal income from 1974 was due to the rise in government transfer payments. Disposable income grew proportionately more than personal income because of the Tax Reduction Act of 1975. From 1975 to 1976, government transfer payments and disposable income should both grow less rapidly than personal income in spite of the additional tax cuts accruing from adoption of the President's budget program. Hence, while the growth in personal consumption expenditures led the recovery in final sales that started early last year, the role of continuing the recovery beyond 1976 must increasingly be taken over by fixed investment.

NONRESIDENTIAL FIXED INVESTMENT

Nonresidential fixed investment normally lags in economic recoveries, and it is likely to do so again. Nevertheless we expect some strength to develop in business investment in the course of 1976, on the assumption that substantial modernization in plant and facilities will be planned and readily financed. A sustained rise in profits, retained earnings, and cash flow in this year and next should allow the share of business fixed investment in GNP to continue to grow, even as debt-equity ratios are reduced toward desired levels.

According to a recent survey conducted by the Department of Commerce, businesses plan to increase capital spending by 5½ percent from 1975 to 1976. Assuming that prices of capital goods rise by about 6–7 percent per annum, this implies a decline in real business fixed investment which is inconsistent with past behavior during comparable stages of recovery. During the early stages of recoveries, businesses usually underestimate the strength of final sales. Even though the present recovery started from a lower measured rate of capacity utilization than previous recoveries, businesses are likely to spend more on new plant and equipment in 1976 than they expected at the start of this year, and the year-to-year rise could be as high as 4–5 percent in real terms, or approximately 8 percent from the second half of 1975 to the second half of 1976.

While the previous cyclical lows in the Federal Reserve's capacity utilization index for manufacturing were 75 percent in both 1958 and 1971, this index fell to less than 70 percent in 1975. In recent years, however, the rate of economic obsolescence of existing plant and equipment may have accelerated because the desired combinations of inputs, outputs, and production techniques have been altered by recent sharp changes in relative costs and prices. For this reason the exceptionally high level of spare capacity in the present recovery is expected to have less effect in slowing the recovery of investment spending from its current low level. Partly because of the need for modernization, investment in equipment is expected to rise faster than investment in structures. In the nonmanufacturing sector, public utilities believe that investment will rise significantly this year after a rapid increase in starts and in carryover of investment projects from last year.

Even if real business fixed investment grows by as much as 8 percent from the second half of 1975 to the second half of this year, the growth rate will be low by historical standards. Table 1 shows that the ratio of real business fixed investment to GNP would grow no faster than in preceding recoveries and would still be only 9.4 percent in the second half of 1976. This is particularly disappointing since it is shown later in this chapter that higher ratios of business fixed investment to GNP are likely to be necessary in future years if the capital required for an eventual return to high employment, greater energy independence, and a cleaner environment is to be in place by the end of 1980. Some further growth in the share of profits in national income may be required before the share of business fixed investment in GNP can rise.

The cyclical rebound in the profit share that started in 1975 is expected to continue in 1976; and equally important, the share of book profits accounted for by inventory profits will remain low. Since inventory profits, which are realized mainly by firms using the first in, first out (FIFO) method of inventory accounting, are part of taxable book profits, their taxation reduces

TABLE 1.—*Growth rates of real business fixed investment and change in its share in real gross national product in recovery periods, 1955–76*

Period	Annual growth rate of real business fixed investment [1] (percent)	Shares of real business fixed investment in real GNP	
		Actual share [2] (percent)	Change in share (percentage points)
From a year earlier to:			
1955 IV–1956 I	15.3	8.9 to 9.7	0.8
1959: III–IV	10.8	8.4 to 8.9	.5
1962: II–III	9.8	8.7 to 9.0	.3
1972: I–II	6.0	9.8 to 9.9	.1
1976: III–IV [3]	7.9	9.2 to 9.4	.2

[1] Change from half year following cyclical trough quarter to corresponding period a year later.
The following quarters are those designated as cyclical troughs by the National Bureau of Economic Research (NBER): 1954 III, 1958 II, and 1961 I. Subsequent trough quarters are assumed to be 1970 IV and 1975 II as NBER has not designated these quarters as cyclical troughs.
[2] Shares for the two half years used in computing the growth rates in column 1.
[3] Projection.

Sources: Department of Commerce (Bureau of Economic Analysis) and National Bureau of Economic Research.

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cash flow available for the expansion of both fixed and working capital. If inventory profits should be more than $20 billion lower in 1976 than in 1974, as we expect, nonfinancial corporations will save at least $8 billion in taxes, or about three times as much as the annual tax savings from the higher investment tax credits provided in 1975 and 1976. Even more important, operating profits may be increasing by over 25 percent from 1975 to 1976, more than twice as fast as national income, while dividends will rise less than profits. The resulting level of corporate cash flow, excluding inventory profits, may be about equal to the total fixed investment in depreciable assets projected for nonfinancial corporations in 1976. Adjusted for inventory profits, the contribution of cash flow has not been this high since 1965, although internally generated funds generally matched annual purchases of physical assets from 1955 to 1965. The gain in cash flow would be all the more impressive since net interest paid by nonfinancial corporations is expected to be about six times as large in 1976 as it was in 1965. This rapid growth in interest payments is attributable to higher inflation premiums in interest rates and to the sharp expansion in corporate debt over the past decade.

HOUSING AND RESIDENTIAL INVESTMENT

In the past, changes in the supply of mortgage credit rather than changes in demand have frequently dominated short-run movements in housing starts. But in 1975 demand factors, not the unavailability of mortgage credit, weakened the recovery in housing. In spite of large savings inflows into the thrift institutions, mortgage interest rates have declined little during the past year. The liquidity of the thrift institutions is expected to remain high in 1976, but the high stock of unsold new single-family homes and rapid cost increases, particularly in the land and materials components of home prices, suggest that there may be only a small further rise in single-family starts. On the other hand, the recovery of multifamily starts from the extremely depressed levels of 1975 should begin to accelerate in 1976, spurred in part by the $3 billion in mortgage commitment funds at 7½ percent interest released by the Government National Mortgage Association in January 1976. Thus total housing starts should reach a level of about 1¾ million units by year-end, and the real value of residential construction is expected to rise by about 30 percent from 1975 to 1976, on the strength of an almost 40 percent rise in housing starts.

Household formation rates, the demographic structure of households, and prospective attrition in the existing housing stock are the factors most important to the long-run outlook for housing starts. During the first half of the seventies, the average annual increase in the number of households was approximately 1.5 million. According to the Census Bureau's middle projection (Series B), the number of households is expected to continue to grow at this rate during the remainder of the seventies. The demand for new dwelling units will be raised further by normal growth in the number

of vacant units and second homes, by the demolition of old units, and by other losses, including conversion to other uses.

It has been estimated that since the Korean war 0.8 percent of the housing stock has been replaced each year on the average, but in recent years existing units have become more profitable to retain. The costs of new construction and new financing have risen faster than most other costs; and sewer moratoriums, land use controls, and zoning and environmental restrictions have also limited new supplies. Thus the 1.7–1.8 million starts projected for the end of 1976 may not be far below what may become normal levels if replacement demands should decline.

Most of the growth in housing starts during the current year is projected to come from multifamily starts. In future years such starts could account for 35–40 percent of the total, excluding mobile homes, compared with only about 24 percent in 1975. The proportion of households and primary individuals owning homes may grow only slightly in coming years, and the replacement rate of multifamily units may be larger than that of single-family units. Moreover the declining average size of households and the continuing adjustment to sharply higher energy and land prices will favor the growth of multiple-dwelling units over single-family homes.

By the end of 1976 multifamily starts may still account for less than 35 percent of total starts, because a large overhang of foreclosed or delinquent projects has depressed prices and discouraged construction financing in many parts of the country. Sales of newly constructed condominium units have been slow, and the profitability of new apartment houses has remained low because rents have risen far less than other prices.

Federally assisted starts under the Section 8 leasing program and the Section 235 homeownership program of the Housing and Urban Development Act are expected to raise total starts by 5–9 percent this year. Over a period of years any increase in federally assisted housing starts would be largely offset by a decrease in unassisted starts, but this factor will not be important in 1976.

INVENTORIES AND NET EXPORTS

The extraordinary reduction in inventories in the first half of last year, together with the faster growth in final sales which began in the second quarter, restored inventories to more normal levels. By the end of 1975 the ratio of real business inventories to final sales was the same as the average for 1969–73 and lower than the ratio for 1974, when large inventory accumulations had occurred. The ratio of inventories to sales is expected to decline a little more in early 1976. We estimate that the stock of inventories will grow at about the same rate as final sales after the middle of 1976.

During the first half the annual rate of growth in GNP should exceed the growth in final sales before the return to normal rates of inventory accumulation is completed. The growth in domestic sales should be greater than the

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growth in total sales, because net exports are expected to decline throughout this year from their recent high levels. In the first half large shipments of agricultural commodities, particularly to the Soviet Union, should offset part of the increased imports that normally accompany the growth in domestic income and production. Thereafter we expect the growth in exports to fall farther below the growth in imports, because the U.S. recovery started earlier than those of most of our major trading partners. The structure of foreign sales is such that our exports, particularly those of capital goods, are unlikely to rise rapidly until the recoveries abroad have become more advanced. One should point out, however, that movements in both inventories and net exports have proved extremely difficult to forecast.

FEDERAL AND STATE AND LOCAL GOVERNMENT PURCHASES

In real terms Federal purchases are expected to grow by only 1 percent from 1975 to 1976, and State and local government purchases by 2–3 percent. Purchases of goods and services currently account for about 35 percent of total Federal expenditures, but for over 90 percent of the total expenditures of State and local governments.

Mainly because of diminishing defense expenditures, the real value of Federal purchases declined in every year from 1968 to 1975; and Federal purchases in 1976 will still be one-fourth below their 1968 peak. The average annual growth rate of real State and local government purchases, however, was about 4 percent from 1968 to 1973. This rate then declined by almost half, largely as a consequence of the recession of 1974–75 and the financing difficulties experienced by some State and local units of government.

Owing to measures already taken and to longer-run factors that will help to slow expenditure growth, most State and local governments will be able to cope with expenditure pressures without adding unduly to the tax burdens of their citizens in this and the coming year. The growth rate of State and local government employment remained moderate in 1975 if one excludes expanded public service employment and summer youth employment funded through Federal grants. Furthermore the growth in construction expenditures by State and local governments is expected to continue to decline as the school-age population falls and as the interstate highway building program approaches completion. Higher-density residence patterns and more concentrated commercial development projects will tend to reduce the growth in local expenditures because they lower the demand for new access roads, municipal utility lines, and related facilities. Higher municipal bond rates due to inflation and to the larger risk premiums which some units of government have encountered are also restricting construction, in some cases because the maximum interest rate that State and local governments can pay is limited by law.

Slower growth in purchases by State and local governments, tax increases, and the beneficial effects of economic recovery on State and local receipts helped eliminate the operating deficit of these units in the second half of

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1975. Assuming that purchases of goods and services will continue to advance by less than 3 percent a year in real terms, compared with more than 4 percent in most years from 1963 to 1973, the operating budget of State and local governments as a group should be in surplus in 1976 if the recovery continues as expected. The surplus could be quite large if those governmental units whose credit rating and borrowing ability have been impaired in recent years continue to retrench, and if their savings are not matched by more expansionary policies on the part of governmental units which have remained fiscally sound. State and local governments sometimes accelerate expenditure growth during the advanced stages of recovery, but they will probably wait longer than usual to do so in the current upturn, particularly if the rate of growth in Federal grants is reduced below the high rates that have prevailed so far in the seventies.

The general revenue sharing program, which provided for $30 billion of grants to State and local governments from 1972 through 1976, is expected to be renewed in 1976. When it was introduced in a period of high and rising economic activity, it may have encouraged State and local governments to overextend themselves during that expansion. Failure to renew the general revenue sharing program in 1976, however, could weaken the fiscal stability of State and local governments just when they have adjusted to the loss in receipts resulting from the 1974–75 recession.

The Federal Government, during the 1975 budget crisis of New York City, indicated a determination not to underwrite continued massive growth in local spending. Aided by those redistributional mechanisms already built into the established Federal grant programs, State and local governments are now likely to provide for cyclical fluctuations by accumulating more reserves during periods of high economic activity than they have done in the past. In 1976, Federal grants-in-aid to State and local governments are budgeted to rise by about $5 billion, compared with more than $10 billion from 1974 to 1975. Thus at least 75 percent of the expected growth in the expenditures of State and local governments in 1976 will have to be financed from their own sources.

RISKS IN THE FORECAST—THE INFLATION OUTLOOK

Although a sustained expansion in production and employment is expected with current policies, as always a number of factors could throw the recovery off track. The most important would be a resurgence of inflation. We have projected that the rate of price increase will not accelerate and will even decline somewhat from 1975 to 1976. If this price forecast should be too low, both consumer and business spending could be adversely affected.

As noted above, recent experience suggests that consumers react to heightened expectations of inflation by increasing their saving and reducing their consumption, even of those durable goods that might be expected to provide an inflation hedge. Furthermore the rise in interest rates associated with higher rates of inflation could induce disintermediation and threaten the

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projected recovery in housing starts. A sustained rise in the rate of inflation would also undermine the prospect for gains in business investment. Under current tax laws, inflation raises the real tax liabilities of corporations both in the present and in future years. Moreover, the increased macroeconomic instability invariably associated with high rates of inflation drives up risk premiums in financial markets. Hence the outlook for prices has a crucial bearing on whether the output forecast can be realized.

The past year has shown once again that the rate of change in product and factor prices is not permanently insensitive to reductions in demand. However, it has also shown that inflationary expectations, once aroused, acquire a powerful momentum that can be reduced only gradually and then at great social cost and economic hardship. As the Government adheres to a policy designed to prevent a resurgence of inflation, the behavior of the private sector helps determine how large or how small the costs of holding down the rate of inflation will be.

In the short run, "cost push" factors can influence the rate of inflation and unemployment and thereby set in motion Government policies that may have lasting effects. When such external shocks as the rise in international oil prices or other cost push factors increase the rate of inflation, Government authorities are faced with a painful dilemma. If they do not accommodate cost push factors by letting aggregate nominal demand rise sufficiently, then real output will fall and unemployment will increase to the extent that other prices resist downward pressure. On the other hand, if these shocks are fully accommodated, forces may be set in motion which perpetuate and even increase the inflation rate. Should the rate of inflation accelerate, heavier costs in unemployment, lower output, and forgone opportunities would eventually have to be incurred to bring it under control. For this reason it is important to examine the probable cost push pressures on prices over the near term.

The projected 6 percent rise in the price level from 1975 to 1976 is combined with a 5–6 percent increase in unit labor costs of private employees in the forecast. Since compensation per hour is projected to grow by 8–9 percent, the growth in output per hour is estimated to be at least one-third of this rise. Unit labor costs actually ceased to rise in the first 2 quarters of the present recovery, as productivity gains matched the rise in compensation per hour. In 1976, however, somewhat faster growth in compensation per hour and slower productivity growth will push the rise in unit labor costs close to the inflation rate expected for the year.

Because unit labor costs are the largest component of cost and because income shares tend to change rapidly only within but not between cycles, the rate of price increase and the rise in unit labor costs tend to converge in the long run. If changes in compensation per hour should accelerate beyond 9 percent in the near term, inflationary pressures could be intensified. As a consequence inflation rates higher than 6 percent could be built into the economy for some years to come. By the same token, if firms should

attempt to raise prices more rapidly than expected in the absence of any acceleration of either wages or the prices of materials in world markets, they too could jeopardize the process of recovery. Such price increases would initially slow the growth in real earnings of labor and then stimulate an acceleration of wage demands. Combined with the trend rate of growth in productivity, these accelerated wage increases would assure either a continuation of the increased pace of inflation or a lower real output level or both.

WAGE INCREASES IN 1976

Forecasting short-run changes in nominal or real wages is particularly risky in 1976 because of uncertainty about the rate of inflation and about the effect of the high, although declining, rate of unemployment. Normally the pressure for job applicants to accept lower wages would be expected to rise with increases in both the level and duration of unemployment. On the other hand, there may be less willingness to accept lower real wages because income maintenance programs, which have expanded rapidly in the last 2 years, replace a greater portion of income lost from unemployment than in previous cycles. Moreover, because of the rise in labor force participation by married women, a higher proportion of the unemployed belong to families in which at least one person is still working. For these reasons, real wages may not rise any less than they did at comparable stages of previous recoveries, in spite of the high level of the unemployment rate.

Nominal wage rate changes depend in part on the actual rate of price increases in the recent past and on the rate of inflation anticipated for the near future. If the rate of inflation had been approximately stable for a period of years, and if this were expected to continue, it would not be difficult to forecast the inflation component of nominal wage increases. We have, however, experienced several years of very high and unstable rates of inflation, and we lack good estimates of how the greater variability in inflation rates will be reflected in wage bargains. If, for example, a random burst of inflation occurs just prior to a wage settlement, it may have a significant effect on the size of the wage increase negotiated. We estimate, however, that with a forecasted 6 percent increase in the consumer price index (CPI) the rate of increase in nominal wages will be 8–9 percent from 1975 to 1976, about the same as the rise in compensation per hour in the private sector.

Wages for most private sector jobs are not determined by a formal collective bargaining process, but are rather the result of informal wage determination that is influenced, but not exclusively determined, by the competitive forces operating in labor markets. It is widely believed that major collective bargaining settlements have demonstration effects on wages throughout the economy. For instance, the wide publicity they receive may influence the wage and price expectations of other workers, and these workers will attempt to maintain their relative position in the wage structure. Money pro-

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visions of collective bargaining agreements may also be formally or informally extended to nonunionized workers in the same plant or industry. Thus the forecasted increase in nominal wages could be upset if substantially higher wage settlements were received by workers in large unions. For these reasons it is important to examine the collective bargaining situation in 1976.

About one-fourth of all civilian employees are members of labor unions, and about 10 million union members are under major collective bargaining agreements (those covering 1,000 or more workers). About four-fifths of these contracts consist of 2- or 3-year agreements which are heavily front-loaded, that is, contracts in which first-year increases are considerably larger than those scheduled in the later years of the contract. Nearly 4½ million workers, or about 5 percent of all employees, are under a major contract that expires or is scheduled for reopening in 1976 (Table 2), while only 2¾ million workers negotiated new contracts in 1975. Hence a significant proportion of the 10 million workers under major collective bargaining agreements will be receiving first-year increases in 1976. Last year, first-year increases of slightly more than 10 percent were received by more than one-fourth of the workers under major agreements, and deferred increases averaged 5 percent for the remaining 72 percent. Cost-of-living adjustments (COLA) are not included in this comparison. If the new collective bargaining agreements for 1976 are similar to those of 1975, on balance 1¾ million workers would thus obtain wage increases about 5 percentage points higher

TABLE 2.—*Calendar of major private nonfarm collective bargaining activity, 1976*

Month	Principal industry	Contract expirations		Scheduled wage reopenings	
		Number	Workers covered (thousands)	Number	Workers covered (thousands)
All years		2,274	10,186	88	300
1976: Total		861	4,203	62	180
January	Apparel	34	153	5	24
February	Apparel; services	34	91	6	18
March	Trucking	74	669	5	15
April	Construction; rubber	133	413	7	23
May	Construction; apparel	169	593	11	21
June	Electrical equipment; food	119	543	12	34
July	Electrical equipment	73	221	4	20
August	Food (meat packing)	47	109	3	8
September	Motor vehicle and farm equipment	65	1,057	2	3
October	Food stores	40	106	4	6
November	Services	38	108	2	4
December	Electrical equipment; food stores	35	138	1	2
1977 and beyond		1,118	5,154	26	120
Year unknown or in negotiation [1]		295	828		

[1] Bargaining units for which necessary information was not available include 193 agreements which expired prior to Oct. 1, 1975 (when these data were tabulated) covering 556,000 workers, and 102 contracts which expired between October 1 and December 31, 1975, covering 272,000 workers.

Note.—Major agreements are those affecting 1,000 or more workers.
Detail may not add to totals because of rounding.

Source: Department of Labor, Bureau of Labor Statistics.

than those they received in 1975. In the course of 1976 this alone would add about seven-eighths of a percentage point to the 8–8½ percent average increases received by the 10 million workers under major collective bargaining agreements during 1975, but the effect would be only about half as large year over year.

A detailed tabulation of the deferred wage increases (excluding COLA) scheduled for the 5½ million workers in the second and third year of their contracts shows an average increase of 5.4 percent during 1976, almost the same as the 5.1 percent for such agreements in 1975. Escalator or cost-of-living clauses last year added approximately 2 percent to the base wages of all workers under major collective bargaining agreements. If the CPI rises by approximately 6 percent from December 1975 to December 1976, the addition to wages from cost-of-living adjustments in 1976 should be slightly lower than in 1975 because of somewhat lower inflation.

Assuming that there is a 6 percent increase in the CPI and that first-year settlements will be similar to those negotiated in 1975, the 10 million workers under major collective bargaining agreements will therefore receive wage increases of approximately 8½ to 9 percent from 1975 to 1976. Wage rate gains for the nonunionized workers are more sensitive to the business cycle and likely to be slightly less than those of union workers because of the continued high level of unemployment. Thus we do not expect wage increases for workers covered by major collective bargaining contracts to upset our overall wage forecast.

The translation of wage rate changes to changes in compensation per hour for all private employees requires an analysis of interindustry shifts of employment and of shifts between wage and salary workers in the composition of employment as well as the addition of fringe benefits. Our analysis indicates that these factors are likely to be largely offsetting this year and hence that increases in employee compensation per hour from 1975 to 1976 should average 8–9 percent in the private sector.

FOOD PRICES

Food prices are the most visible and best publicized of all the components of the CPI. For this reason they may be especially important in determining the wage demands of labor and the inflationary expectations of all consumers. Predicting price changes, however, is even more hazardous for food than for most other goods because of the inelastic demand and supply functions for agricultural products, and the possibility of large weather-induced shifts in supply.

The current outlook on the supply side is for increased production of meat and dairy products in 1976. There is evidence of larger placements of cattle on feed for fattening and of increased hog farrowing in early 1976. These developments should yield more fattened beef in the first half of 1976 and more pork by the second half. Milk production is beginning to show year-to-year increases. The supply of most vegetables for processing was up this past

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fall. Although dry weather during the seeding period in parts of the winter wheat area has reduced the chances for a 1976 wheat harvest larger than that of 1975, the size of 1976 crops is impossible to forecast accurately at this time. The already evident increased supplies and lower prices for fertilizers should help 1976 crop yields compared to 1975.

The demand for food should rise as a result of economic recovery in the United States and abroad. Because the demand for most foods is relatively insensitive to changes in income, however, the demand for food should increase substantially less than that for most other goods.

Futures market prices tend to reflect all the information available on supply and demand to date. In early 1976 futures prices for agricultural products implied that wholesale commodity prices were expected to be little changed through mid-1976. Futures prices can, of course, change rapidly as economic conditions and expectations about future conditions change. In addition, the prices of processing and marketing services are not captured in futures prices. The cost of these services will probably increase more nearly in line with the general rate of inflation. On the whole, in contrast to the past 3 years, food prices are not likely to add to inflationary pressures during the first half of 1976. The same will be true of energy prices, as was already pointed out in the discussion of energy policy. These favorable developments should help prevent a rise in the expected rate of general price inflation above the 6 percent level in 1976.

WILL MONEY SUPPLY GROWTH BE APPROPRIATE?

Another question about the forecast is the amount of money needed to support the expected growth in nominal GNP. This question has been widely aired in the quarterly discussions of monetary policy instituted by the Congress last year. Some have wondered if monetary growth within the Federal Reserve's announced tolerance range would be adequate to support a sustained recovery, even if inflation moderates as expected.

In May 1975 the Federal Reserve announced explicit 1-year ranges of tolerance for the growth rates of the monetary aggregates: M_1, M_2, M_3, and the bank credit proxy. M_1 is the narrowly defined money supply, currency plus demand deposits. M_2 additionally includes commercial bank time and savings deposits other than large negotiable certificates of deposit. M_3 is a still broader measure obtained by adding time and savings deposits held at nonbank thrift institutions to M_2. Finally, the bank credit proxy is a measure of member bank loans and investments. The present base for the 1-year growth rates is the average level of the aggregates for the third quarter of 1975; hence the period for which the ranges now apply extends to the third quarter of 1976. The range of growth rates for M_1 is currently 5–7½ percent; for M_2 it is 7½–10½ percent; for M_3, 9–12 percent; and for the bank credit proxy, 6–9 percent. Neither the bases nor the ranges are immutable. Both have been changed in the past, and the Federal Reserve

has emphasized that it will change them in the future if circumstances require.

The concept of the demand for money provides a useful analytic framework for examining the adequacy of these money growth rates, since it supplies an important link between money on the one hand, and income and expenditures on the other. There has been a great deal of discussion of which monetary aggregate should be used to measure the demand for money. The consensus seems to be that either M_1 or M_2 will do, but M_1 has generally been the preferred definition.

Much of the theory and most of the postwar evidence on the demand for money have been couched in terms of M_1. However, there is some recent evidence, although still quite tentative, that the demand for M_1 may have shifted down for given levels of income and interest rates. Hence it is possible that the way in which money was related to income and interest rates in the past will not hold in the future. However, some of the reasons given below why the demand for M_1 may have shifted down can provide clues to how it will behave in the future. It is therefore still useful to focus on M_1 growth, although it must be recognized that a fuller analysis of monetary policy should include some reference to the broader aggregates like M_2 and M_3.

The question about what is an appropriate expansion of the money supply can be expressed in terms of velocity growth. The growth rate of nominal GNP is the sum of the growth rates of the money stock and velocity. Consequently, if we take the price path as given, the appropriateness of various monetary growth paths in achieving various real growth objectives depends on the growth in velocity. The question then is whether the velocity growth implied by the forecast is consistent with what the past behavior of velocity would predict.

A large body of evidence has pointed to the stability of the long-run demand function for money, on which the ability to predict movements in velocity from cycle to cycle depends. However, the evidence that the function is stable in the short run is much less clear cut. Considerable controversy still surrounds the behavior of money demand in the short run, and velocity movements do exhibit considerable variation over short periods of time.

The figures in Table 3 illustrate this distinction. The second column shows the average rates of growth of velocity from peak to peak in each of the five previous postwar business cycles. The differences in the average rates of growth of velocity over the various cycles are consistent with a stable long-run money-demand function. The successive declines in the average from cycle to cycle do not reflect autonomous secular declines, but result rather from either lower real income growth or lower interest rate growth, as one would expect from estimates of the long-run demand function for money.

The shorter-run movements in velocity within the cycle are less predictable. Average rates of velocity growth during each of the 2 successive years following a business cycle trough are shown in the first column of

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Table 3. The changes in velocity within cycles are less systematically related to income and interest rate changes. On the other hand, some of the variations in velocity movements within cycles are consistent with lags or delays in the adjustment of actual money balances to their desired level. Thus velocity grows rapidly when income grows rapidly or money growth slows abruptly, while its rate of advance is more moderate when changes in income and money growth are smaller.

Nevertheless such explanations do not account for all of the observed short-term variations in velocity, and the unexplained variation makes it difficult to predict short-term movements with a high degree of reliability. It is therefore not easy to interpret the rapid rate of velocity growth in the last 2 quarters of 1975, when M_1 velocity grew by annual rates of 12.4 and 9.6 percent respectively. Only in the comparable stage of the recovery from the 1949 recession, a period which includes the beginning of the Korean war, did velocity expand more rapidly.

The important question is whether these recent high rates of growth can be taken to mean that velocity will grow faster on average in the future than it has in the past. One answer is that they are random events that are unlikely to repeat themselves in the near future, but such an interpretation doubtless goes too far. Part of the rapid increase in velocity may derive from the incomplete adjustment of money balances to the sharp acceleration in income in the second half of 1975. However, that explanation would suggest slower growth of velocity in the future as money balances are adjusted to the higher rate of income growth.

TABLE 3.—*Growth rates of velocity of money, real gross national product, and interest rates, selected periods, 1948 IV–1973 IV*

[Percent change; annual rate]

Period	Growth rate of velocity after cyclical trough [1]	Complete cycle, peak to peak [1]	Peak-to-peak growth rate		
			Velocity of money (M_1)	Real GNP	3-month Treasury bill rate [2]
1949 IV to 1950 IV	14.2	1948 IV to 1953 II	4.3	5.3	16.4
1950 IV to 1951 IV	5.2				
1954 III to 1955 III	6.8	1953 II to 1957 III	3.1	2.2	11.0
1955 III to 1956 III	3.7				
1958 II to 1959 II	6.6	1957 III to 1960 II	3.0	2.7	10.9
1959 II to 1960 II	4.1				
1961 I to 1962 I	5.8	1960 II to 1969 IV	2.7	4.1	5.7
1962 I to 1963 I	3.1				
1970 IV to 1971 IV [3]	2.8	1969 IV to 1973 IV [3]	2.4	3.6	3.4
1971 IV to 1972 IV	3.7				

[1] Except as noted, quarters designated as cyclical trough or cyclical peak by National Bureau of Economic Research (NBER) were used in computing growth rates for velocity of money and real GNP. Specific peaks of the Treasury bill rate were used in computing its growth rates. These peaks are 1949 II, 1953 II, 1957 III, 1959 IV, 1969 IV, and 1973 III.

[2] Market yield.

[3] Trough and peak quarters of real GNP (1970 IV and 1973 IV, respectively) used as NBER has not designated these quarters as cyclical trough or peak quarters.

Sources: Board of Governors of the Federal Reserve System, Department of Commerce, Department of the Treasury, Council of Economic Advisers, and National Bureau of Economic Research.

Another explanation for the recent rapid increases in velocity is that the demand for M_1 has shifted down. This interpretation is consistent with recent financial innovations which may have increased the efficiency of the payments mechanism and made savings deposits and other near-monies closer substitutes for demand deposits. Those innovations include telephonic transfers from savings to checking accounts; NOW accounts, which are essentially savings accounts on which "checks" can be drawn; the ability of individuals to write "checks" on some so-called money market mutual funds; electronic funds-transfer schemes; and allowing State and local governments and corporations, in November of 1974 and 1975 respectively, to hold savings deposits at member banks.

Another reason advanced for a shift down in the demand for M_1 is the "shock" of the extremely high interest rates in late 1973 and 1974. Because high interest rates made asset holders more aware of the costs of holding idle balances and of the benefits of managing cash more efficiently, they may have permanently reduced the demand for money for given levels of interest rates and income.

These are all plausible explanations for a downward shift in the demand for money. If the demand for money has been reduced, either by technological factors or by changes in the attitudes of asset holders, the result will be to reduce the rate of increase in the money stock that is consistent with any given path of GNP over the coming year. Nevertheless the conclusion that M_1 demand has shifted down should be treated with some caution. Past experience indicates that it is very difficult to identify shifts in the demand for money soon after they are reputed to have begun. At this point, conclusive evidence of a shift is still lacking. Moreover, if the shift is a once-and-for-all shift in the level of M_1 demanded, all that one can say with certainty is that velocity growth will be higher during the transition period. The growth of velocity will not be permanently increased unless the interest and income elasticities of the demand for money are affected, and there is no evidence so far on this point. Perhaps the most that can be said is that past experience suggests a decline in the growth of velocity as the recovery proceeds, though the growth rate may remain for a while at a higher level than before.

Our forecasts of nominal GNP and a growth rate for M_1 of 6¼ percent (the midpoint of the Federal Reserve's range for M_1) imply increases in velocity that are consistent with this conjecture. The implied growth in velocity for the 4 quarters ending with the second quarter of 1976 is 6.9 percent; for the year following it is 5.7 percent.

These rates show a decline in velocity growth in the second 4 quarters which is consistent with the past intracyclical behavior of velocity. The decline is smaller than in previous recoveries, but it can be partly explained by the fact that the forecasted deceleration in nominal income is smaller than the decelerations in income during comparable stages of previous recoveries. On the other hand, the average rates of growth in

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velocity in each of the 4 quarters are significantly higher than past relationships would have led one to predict.

Whether or not one concludes that this cycle has brought structural changes in the demand for money in relation to changes in activity levels is clearly crucial in determining the appropriate rate of increase in the money stock. Even if a structural change has occurred, the increase in velocity is unlikely to continue at recent rates, and monetary policy needs to take account of this slowing.

This does not mean that the current ranges of tolerance are inappropriate. It is not possible to say with any assurance what growth rates of money are necessary to allow real GNP to grow by 6–6½ percent from 1975 to 1976. Setting an upper limit on the growth rate, however, should reduce the prospects for a rekindling of inflation. At the same time, the lower limit provides assurance of continued growth in the money supply if the recovery should turn out to be much weaker than expected. In that event it would be very important for money supply growth to be maintained so that interest rates could fall and shore up the recovery. However, interest rates would be unlikely to fall if the lower-than-expected output growth were due to price acceleration.

Hence the ranges of tolerance are useful in both directions. On the one hand they dampen inflationary expectations; on the other they indicate a firm commitment to lend support to the recovery and to make it more durable. This should contribute greatly to more confident and better-informed decision making by the private sector. Clearly, however, the targets must be administered with flexibility, as the Chairman of the Federal Reserve Board has pointed out on several occasions.

WILL CAPITAL REQUIREMENTS FOR THE REMAINDER OF THIS DECADE BE MET?

Apart from the risks to the durability of the recovery described in the preceding sections, there is the possibility that the structure of final demand may remain too consumption-oriented and business fixed investment too weak to permit adequate economic performance during the remainder of the seventies. Capacity bottlenecks were encountered in a number of basic commodities in 1972 and 1973, giving rise to concern that a shortage of capacity may materialize well before we reach an acceptably low level of unemployment. Such a shortage could intensify inflationary pressures in the later stages of recovery, retard long-term economic growth, and make the achievement of environmental and energy goals more difficult.

At first sight the concern with shortages appears misdirected. In an economy in which the prices of all inputs and outputs and the composition of final demand are free to adjust, there is no reason to expect a chronic shortage of any type of productive facility. To be sure, temporary bottlenecks may occur in a dynamic economy because future demands cannot be anticipated perfectly and because there are lags in the adjustment process.

But in time such bottlenecks would be eliminated, as investment shifted toward the most profitable areas of resource application.

In what sense, then, can there be a valid concern with inadequate capital formation? One way of looking at the capital formation issue is to ask whether the investment spending expected under current conditions is likely to be adequate for the attainment of certain longer-term economic and social objectives, such as full employment, greater energy independence, and a cleaner environment.

Even before the 1974–75 recession idled large amounts of productive capacity, investment incentives may have been reduced by some of the factors enumerated below. Several of these factors are related to inflation, and if they recur or persist they may inhibit investment in the present recovery.

1. The before-tax rate of return that business requires to undertake new investments has been driven up by several forces, while actual rates of return, at least on past investments, have lagged behind. Risk premiums have risen to reflect the increased amplitude of macroeconomic disturbances and the greater instability of relative factor and product prices in the last few years. Experiments with wage-price controls have lessened the incentives to invest. Moreover, compliance with changing environmental and safety regulations requires increased investment, creates some uncertainty, and adds to the cost of production. At the same time, despite changes in the corporate tax laws, general price inflation has raised corporate taxes more than in proportion to the before-tax return on fixed capital because inventory profits have boosted the tax base and because the real value of historical-cost depreciation allowances has declined.
2. The increase in debt-equity ratios during recent years has made business more vulnerable to the vicissitudes of the credit market and to unanticipated changes in the rates of inflation and profits. The tax treatment of interest payments as a deductible business expense makes debt financing particularly attractive when inflation premiums are included in interest rates. Nonetheless, debt-equity ratios have probably reached higher levels than firms would like to maintain under present conditions. While unanticipated increases in the rate of inflation have lowered the real cost of amortizing old debt, this gain has not been reflected in a higher valuation of corporate equities in periods of rising inflation. The resulting unfavorable structure of business liabilities may have created some structural financing problems, and it may have increased default risks, the costs of financing, and the cutoff rate of return on new projects.
3. Fiscal policies may have been biased against private investment. In periods like 1973, when the economy was already approaching its capacity limits, government transfer payments continued to increase rapidly. Then, in periods of slack, changes in Federal tax and expendi-

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ture policies have emphasized the stimulation of consumption rather than investment. A policy mix that relies more on monetary stimulus than on the types of fiscal stimuli which have predominated in the past may be expected to alter the composition of output in favor of private investment. In recent cycles, however, investment was the last sector to be stimulated by expansionary fiscal policies, and the first to suffer when these policies were maintained too long and led to either more inflation or to offsetting monetary restraint. Cyclical recoveries of investment may therefore have been incomplete, with cumulative effects on the size of the capital stock.

4. The long-term savings incentives of persons may have been reduced through government policies favoring consumption. The scope of government transfer programs and the level of social insurance benefits have increased rapidly in recent years. This development may eventually encourage less reliance on personal savings to protect a future standard of living. Moreover, although firm evidence is not available, incentives to save may also have been reduced because Federal interest rate controls on many types of savings have become more restrictive as a result of inflation and because nominal interest receipts are fully taxed without allowing for inflation. On the other hand, individuals have increased their saving rate in reaction to the diminution of the real value of their financial assets and the greater insecurity about future living standards that the high rates of inflation and unemployment of the past few years have caused. Thus substitution effects which discourage saving may not begin to dominate the actual savings behavior of persons until the income and wealth effects stemming from the most recent inflation and recession have been reduced much further.

AN ESTIMATE OF CAPITAL REQUIREMENTS

The actual business fixed investment that is likely to be forthcoming during the remainder of this decade under the existing structure of tax laws and economic incentives is difficult to forecast. If we had a perfect long-term forecast, we could directly assess the adequacy of the expected investment, provided the investment required to meet certain objectives by a given date could be deduced with a high degree of reliability from these objectives. Since this is not possible, a much more modest approach will be followed in assessing the capital formation issue. This approach involves estimating the capital stock that may be needed to achieve certain goals and then comparing the implied investment requirements with recent trends in the share of investment to GNP. Given the large number of conditions and qualifications that must be attached to any statistical estimate of future input requirements, no such exercise can be conclusive. If this exercise suggests that increased rates of capital formation are desirable, what is called for is not increased Government controls or directives, but in all likelihood a shift in the monetary-

fiscal policy mix and reconsideration of the existing tax laws and incentive structures.

To throw some light on the question of capital adequacy, which has been widely debated during the past year, the Council of Economic Advisers commissioned the Bureau of Economic Analysis of the Department of Commerce to conduct a study of the capital that would be required to achieve a real output level presumed to be consistent with approximately full employment in 1980.* The level of real GNP selected for that year was $1,575 billion in 1972 dollars ($1,078 billion in 1958 dollars). The GNP target implies an average annual growth rate of about 6 percent in real GNP and 4 percent in output per employee in the private sector from 1975 to 1980, a condition which is estimated to move the unemployment rate below 5 percent by the end of the decade. Figures for industry outputs compatible with the specified level of GNP were derived by the Bureau of Labor Statistics of the Department of Labor. They were generally at the 80-industry level of input-output aggregation.

The capital stock necessary to produce the output levels specified for 1980 is assumed to include facilities to meet certain environmental standards currently in effect, and to allow the greater degree of energy independence which has been advocated by the Federal Government. Estimates were prepared of the investment in pollution control facilities necessary to meet the requirements of the Clean Air Amendments of 1970 and the Federal Pollution Act Amendments of 1972. Furthermore, an attempt was made to estimate the additional investment required in the mining of coal, crude petroleum, and natural gas, and in electric utilities using fuels other than oil and gas, to prevent the 1980 share of imported crude and refined petroleum products from exceeding its 1973–74 level of 36 percent of total domestic consumption (in barrels per day). This percentage would otherwise rise to 47 percent under the "business as usual" scenario in the *Project Independence Report* of the Federal Energy Administration. All of these estimates may be subject to errors which could bias in either direction the estimate of total investment requirements.

Many assumptions must be made before gross investment requirements can be arrived at from the output targets. Capital services need not normally be used in fixed proportions with other factors of production to obtain a given level of output, first because there are possibilities for factor substitution over time, and then because there are distinct trends in factor proportions associated with changes in technology within particular industries, which may or may not continue. To narrow the range of possible estimates for 1980, links between industry outputs and capital stocks were established by assuming either that the adjusted capital-output ratios remain constant at

* The full study is available from the Bureau of Economic Analysis. The basic estimates were developed in the summer and fall of 1975 and do not reflect the benchmark revisions of the national income accounts and the economic assumptions and projections published in the 1977 budget. The differences, however, are relatively small.

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their 1970 levels or that observed trend rates of growth or decline in such ratios persist. The extrapolations are based on annual capital-output ratios available for 1963 and for each year from 1967 through 1970, which are adjusted to normal operating conditions by dividing actual industry output by the ratio of the actual utilization rate to the preferred utilization rate. If the adjusted capital-output ratios have shown a consistent tendency to grow or to decline over this period, the annual trend rates of change estimated from either 1963 or 1967 were generally continued from 1970 to 1980.*

Finally, it is necessary to specify a discard pattern (i.e., a pattern of retirements and other deletions from the capital stock) to estimate the amount of gross investment that would produce the net additions to the capital stock obtained in the previous step. For those industries whose 1970 capacity utilization rate was 100 percent, discards are assumed to grow at the same rate as the adjusted capital stock from 1970 to 1980. In industries whose capacity was not fully utilized, discards are assumed to grow faster, on the assumption that more obsolete capacity will be eliminated through replacement investment before full capacity operations are approached by all industries simultaneously in 1980. The discard rate is also assumed to rise in gas utilities (including gas pipelines) as a result of rapid shifts in the location of producing wells.

Since so many specifications and data adjustments are necessary to obtain numerical estimates of capital requirements, these estimates are not definitive. Their usefulness depends on the descriptive realism of the assumptions employed in deriving them. These include the degree of labor force utilization and the composition of output and final demand in 1980, as well as the links from specified output targets to capital "requirements" and the link from "required" capital to investment. The data on capital stocks and discards by industry are weak. Moreover a number of unspecified economic assumptions have to be made to ensure that the implied accumulation process is consistent with a movement toward economic equilibrium and stable real rates of return.

The results are highly sensitive to changes in the output mix—for instance, between manufacturing and other more capital-intensive sectors such as agriculture, mining, transportation, communication, and utilities. The direct and indirect capital requirement per dollar of output from petroleum and natural gas mining, for example, is about four times as high as the corresponding coefficient for manufacturing. Estimates of capital requirements are less sensitive to shifts between broad end-use categories like consumption and business fixed investment than to shifts between particular output sectors, but the composition of final demand still matters. For instance, the capital required per dollar of final demand is 22 percent greater for personal consumption than for private fixed investment.

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*One of the most significant exceptions is the electric utilities industry, in which the past trend of rising capital-output ratios was not projected to continue in the absence of "Project Independence" objectives.

Subject to all these qualifications, certain conclusions can be drawn from the estimates reported in Table 4. The table shows that a share of business fixed investment in GNP as low as 9.9 percent in 1971–80 is estimated to be compatible with the output level specified for 1980, if capital-output ratios remain at their 1970 level and the energy and pollution abatement goals previously specified are left out of account. Hence, without the additional requirements attributable to changing technology and to government policies, the share of business fixed investment in GNP could actually be lower than the 10.4 percent that prevailed during the period from 1965 through 1970. This result is obtained in spite of a slight acceleration in the actual and projected annual rates of discards (from around 4.6 percent of the capital stock in 1965–70 to 4.8 percent in 1972–74 and 4.9 percent in 1980), because it is estimated that the changing industrial composition of GNP reduces the cumulative investment required.

However, the ratio of required investment to GNP would be lifted from 9.9 to 11.4 percent in 1971–80, and cumulative investment would have to rise 15 percent more than previously estimated, if the legal, technological, and energy-related factors that raise investment requirements in the current decade are to be allowed for. Together these additional requirements add $190 billion in 1972 dollars to the cumulative investment total for the decade 1971–80.

TABLE 4.—*Share of business fixed investment in gross national product: historical data and projected requirement, selected periods, 1965–80*

Item	1965–70	1971–74	1975–80	1971–80
	Billions of 1972 dollars			
Cumulative gross national product (GNP):				
Actual	5,999.3	4,674.5		
Projected			[1] 8,254.6	12,929.1
Cumulative business fixed investment:				
Actual	623.4	486.8		
Projected capital-output (c/o) ratios			[3] 986.6	1,473.4
Fixed 1970 c/o ratios:				
Actual law[2]			[3] 844.5	1,331.3
Pre-1970 law[2]			[3] 796.6	1,283.4
	Percent			
Business fixed investment as percent of GNP:				
Actual	10.4	10.4		
Projected c/o ratios			12.0	11.4
Fixed 1970 c/o ratios:				
Actual law[2]			10.2	10.3
Pre-1970 law[2]			9.7	9.9

[1] Derived from GNP projections in 1958 dollars provided by the Department of Labor, Division of Economic Growth.
[2] "Actual Law" contains pollution control expenditures pursuant to the 1970 Clean Air Amendments and to the 1972 Federal Water Pollution Act Amendments, while "Pre-1970 Law" does not contain these expenditures.
[3] Derived by subtracting actual investment in 1971–74 from the estimate of investment required during 1971–80.

Note.—The 1965–74 data in this table have not been revised to the new benchmark data used elsewhere in this Report since the projections were made before the new data were available. However, using the new data, business fixed investment as percent of GNP would have been the same for 1965–70 as shown in the table (10.4 percent) and slightly lower for 1971–74 (10.2 percent instead of 10.4 percent).

Sources: Department of Commerce (Bureau of Economic Analysis) and Department of Labor (Division of Economic Growth).

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TABLE 5.—*Factors affecting the cumulative total business fixed investment required from 1971 through 1980, by major industries*

[Billions of 1972 dollars]

Factor	Total	Agriculture, forestry, and fisheries	Mining	Construction	Manufacturing	Transportation	Communication	Electric, gas, water, and sanitary services [1]	Services [2]	Other [3]
Fixed 1970 capital-output (c/o) ratios, pollution control requirements limited to pre-1970 law	1,283.4	68.5	48.5	29.5	292.2	134.7	101.1	209.5	173.8	225.7
Add for actual Pollution Control Laws passed in 1970 and 1972	47.8	.....	.9	.5	29.5	.6	.0	14.2	.3	1.8
Add for industries with c/o ratios increasing for reasons other than the achievement of greater energy independence	118.2	10.3	4.2	.0	35.3	5.3	.4	.4	62.4	.0
Add for industries with decreasing c/o ratios	−36.0	−.0	−21.8	−.0	−13.2	−.0	−.0	[4] −1.0	−.0	−.0
Add for additional capital required for greater energy independence	57.9	.0	49.0	.0	.0	.0	.0	8.9	.0	.0
Add for increase in pollution control investment induced by additional investment in energy	2.0	.0	.4	.0	[5] .2	.0	.0	1.3	.0	.0
Total business fixed investment required	1,473.4	78.8	81.2	30.0	344.0	140.6	101.4	233.3	236.5	227.5

[1] Includes production by both public and private enterprises.
[2] Consists of hotels and lodging places, personal and repair services, business services, automobile repair and services, amusements and medical, educational services and nonprofit organizations.
[3] Consists of wholesale and retail trade and finance, insurance and real estate.
[4] Increase in discard rate in gas utilities due to energy considerations would produce this decline unless offset by $1.0 billion higher investment required for greater energy independence.
[5] Although the outputs and capital-output ratios of petroleum refining and related industries are not assumed to change in the process of achieving greater energy independence, the substitution of lower-grade domestic crude for higher-grade imported crude causes some additional pollution control expenditures in petroleum refining.

Note.—Detail may not add to totals because of rounding.

Source: Department of Commerce, Bureau of Economic Analysis.

As shown in Table 5, there are three major reasons for the need to devote an increased share of GNP to fixed investment:

1. Investment in pollution abatement equipment as a consequence of legislation relating to "clean air" and "clean water" is estimated to add about $48 billion (1972 dollars) to the base level 1971–80 investment total. This base level, which is estimated on the assumption of fixed capital-output ratios in all industries, is identified as "pre-1970 law" in Table 4. Less than half of this additional requirement is believed to have been met by 1975.

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2. Changing technology in selected industries, such as agriculture, ferrous mining and nonferrous metals manufacturing, communication equipment manufacturing, transportation, business services, and auto repair, in all of which capital-output ratios have been increasing, is estimated to add about $118 billion to the cumulative investment required from 1971 to 1980, while industries with declining capital-output ratios subtract about $36 billion.
3. To meet the goal of greater energy independence, increased investment in petroleum mining, electric utilities, and other energy-related industries is required. This is estimated to add about $58 billion to the 1971–80 investment total. Another $2 billion is required for the induced increase in pollution control expenditures by energy-producing or processing industries. If the decline in the capital-output ratio of petroleum mining continues, the cumulative investment could be $21.8 billion less. Any further decline in capital-output ratios in petroleum mining, however, would be inconsistent with the assumption of increased domestic energy output.

INFERENCES

Although these estimates are by no means definitive, they do allow some cautious inferences. Because the ratio of business fixed investment to GNP in 1971–74 continued at the 10.4 percent level that prevailed from 1965 to 1970, the business fixed investment to GNP ratio may have to average 12 percent from 1975 to 1980 to meet the capital requirements projected for 1980. Since investment is expected to amount to less than 10 percent of GNP in 1975–76, these estimates suggest that investment ratios even higher than 12 percent may be necessary in the next 4 years to put enough capital in place by the end of 1980 to meet the goals previously stipulated.

If ratios of fixed investment to GNP substantially in excess of 10 percent are unattainable, full employment cannot be achieved by 1980 at capital-output ratios and productivity growth rates as high as those projected with the assumption that the environmental and energy goals are to be met. Whether full employment can be achieved at all by 1980 under these conditions depends first, of course, on the reliability of the previous estimates, and then on the ease of input substitution and on the flexibility of relative factor prices. If the estimated capital requirements are not met, the 1980 output level could be lower than projected, owing to lower productivity or lower employment, or both. Alternatively, goals concerning pollution control and energy independence might have to be scaled down. Either of these possibilities seems far less desirable than providing incentives to raise the share of investment in GNP.

To achieve this goal, increased savings incentives may have to supplement increased investment incentives once the economy's resources are utilized more fully. Whether an increased saving rate may be required, however, depends not only on the potential demands for business investment but also on the demands for residential construction and net foreign investment.

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Furthermore there may be no need to maintain higher business fixed investment to GNP ratios than in previous periods of high employment beyond 1980, because the required additions to capacity are bound to decline sharply if output growth falls to its long-term sustainable level and no new policy initiatives are developed that would require extra investments in areas such as energy, safety, or the environment beyond 1980.

At the present time macroeconomic policies that continue to stimulate the economy to a fuller utilization of its resources will also encourage investment. But, for reasons indicated above, a steady and sustained expansion will provide a far better economic climate for investment than a path of excessive expansion followed by another cycle of inflation and recession. Moreover a policy mix that relies less on consumption-oriented fiscal expansion and more on monetary stimulus would be more conducive to high rates of private investment. During the initial phases of the recovery a slower rate of increase in Federal outlays and a reduction in the budget deficit would permit a more expansionary monetary policy to be carried out with less risk of inflationary pressures. Such a policy mix would tend to shift the composition of output toward investment. If Government deficits do not decline rapidly enough as the recovery proceeds, the savings necessary to ensure a satisfactory rate of private investment may be preempted, and the expansion could stall some time before employment returns to an acceptable level. The President's program of reducing the growth in Federal outlays in this and in coming years is designed, among its other goals, to avoid such an impasse.

CHAPTER 2

Economic Policy and Developments in 1975

DURING THE FIRST PART OF 1975 the economy moved rapidly through the final stages of the most severe recession of the postwar period. Real gross national product (GNP) fell at an annual rate of 9.2 percent in the first quarter and then began to increase (Table 6). In addition, the rate of inflation fell rapidly in the first half of the year from the high rates of 1974.

Economic policy shifted early in the year to counter the decline in output. The President proposed a $16-billion tax reduction in the State of the Union message in January and the Congress enacted a $21-billion net reduction in March. Because of these tax cuts, and associated one-time social security payments, real disposable personal income rose sharply in the second quarter. At the same time, the monetary aggregates expanded rapidly as the Federal Reserve accommodated the temporary buildup in the public's holdings of currency and bank deposits caused by the tax cuts and social security payments.

GNP rose sharply in the second half of the year; and by the end of the year the initial phase of a recovery was clearly evident, although both unemployment and inflation remained distressingly high.

Measured by the declines from peak to trough in real GNP and real disposable personal income (DPI), the 1974–75 recession was the most severe of the postwar period. Real GNP fell 6.6 percent from its peak in the fourth quarter of 1973 to its trough in the first quarter of 1975. Real DPI, cushioned by increased transfer payments and other built-in stabilizers, fell 4.4 percent during the same period. The recession became more severe in the last quarter of 1974 (Table 6). Real final sales decreased at an 8.6 percent annual rate in the fourth quarter, as both personal consumption expenditures and fixed investment expenditures dropped sharply. Real GNP declined at an annual rate of 7.5 percent in the fourth quarter after a 2.3 percent annual rate of decline in the third quarter.

Changes in the level of economic activity during 1975 were dominated by an exceptionally sharp inventory cycle. The large reduction in real final sales in late 1974 produced a large and unexpected accumulation of inventories which were then liquidated in 1975. Real final sales, which had declined since the end of 1973, stabilized in early 1975 and then rose steadily

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TABLE 6.—*Changes in gross national product in constant (1972) dollars, 1973–75*

[Percent change; seasonally adjusted annual rates]

Component	1973	1974	1975[1]	1974		1975			
				III	IV	I	II	III	IV[1]
Percent change in 1972 dollars:									
Total GNP	5.3	−1.8	−2.0	−2.3	−7.5	−9.2	3.3	11.9	5.4
Personal consumption expenditures	4.5	−.8	.9	2.1	−9.2	1.8	6.4	3.9	3.5
Durable goods	8.7	−6.9	−2.8	4.6	−39.8	4.3	10.0	23.6	8.1
Nondurable goods	3.4	−2.1	1.3	1.2	−7.4	2.6	8.4	1.4	5.0
Services	4.2	2.6	1.7	2.1	1.7	.3	3.9	.5	.8
Business fixed investment	12.4	−2.9	−11.8	−14.3	−12.8	−17.3	−14.4	−.7	9.0
Residential investment	−3.1	−25.6	−18.1	−23.1	−41.9	−42.0	4.8	56.0	31.6
Government purchases	−.2	.7	1.2	−.5	−1.7	2.4	−.3	6.1	3.8
Federal purchases	−5.9	−1.1	−.8	4.3	−4.1	−4.2	−5.4	11.3	4.3
State and local purchases	3.5	2.0	2.4	−3.0	−.3	6.4	2.8	3.2	3.5
Addenda:									
Final sales	4.8	−1.2	−.5	−1.4	−8.6	−.6	3.8	4.7	5.0
Domestic final sales	3.9	−2.0	−1.1	−1.4	−9.4	−2.0	2.7	5.3	4.8
Change in billions of 1972 dollars:									
Inventory accumulation	6.6	−8.3	−17.8	−2.6	3.4	−26.6	−1.7	19.9	1.0
Net exports of goods and services	10.5	9.4	6.9	−.2	2.3	4.1	3.4	−1.4	.8

[1] Preliminary.

Source: Department of Commerce, Bureau of Economic Analysis.

during the balance of the year. Accelerating inventory liquidation kept industrial production declining until April, when the Federal Reserve's index bottomed out 12.5 percent below its level in September 1974. While nonfarm inventory decumulation continued through the year, the rate of liquidation slowed dramatically by the third quarter. As a result, production rebounded sharply and in December the index of industrial production was 7.8 percent above its April low. The unemployment rate increased from 5.6 percent in the third quarter of 1974 to a peak of 8.7 percent in the second quarter of 1975. By the fourth quarter it had fallen to 8.5 percent.

The rate of inflation was lower in 1975 than in 1974. As measured by the consumer price index (CPI), inflation dropped from a 12.1 percent annual rate during 1974 to a 7.3 percent rate during 1975. Two principal factors accounted for this improvement. First, the weakened state of demand and the reduction of inventories put downward pressure on prices at the same time that more moderate wage increases and gains in productivity were limiting the rise in unit labor costs. Second, the waning influence of the explosion of food and fuel prices in 1973 and 1974 also contributed to the moderation of inflation. Although energy prices continued to rise in 1975, the increase was much more moderate than it was following the 1973–74 Organization of Petroleum Exporting Countries (OPEC) oil price increases. The upward pressure on food prices, which stemmed from heavy world demand and the sharp reduction in the 1974 U.S. grain crop, also eased during 1975.

National Income and Product Accounts (NIPA) Revision

The Bureau of Economic Analysis of the Department of Commerce has just completed revisions of the national income and product data for all years after 1945. These revised data, which are described in the January 1976 issue of the *Survey of Current Business,* are used throughout this *Report.* The new data are the result of a major benchmark revision of the statistical data and the introduction of about 20 definitional changes which improve the conceptual framework of the accounts. In addition, the base period for constant dollar GNP estimates has been advanced from 1958 to 1972. The most significant of the definitional changes are a new treatment of depreciation, and the shift of mobile home purchases and purchases of consumer durables by landlords from consumption to residential investment.

While it will be some time before many of the implications of these revisions are known, there are noticeable changes in some series. Nominal GNP has been revised upward by amounts generally less than 1 percent. For 1974, nominal GNP was revised to $1,406.9 billion, a revision of 0.7 percent. However, the revisions generally show more weakness in the economy in the second and third quarters of 1974. Because of the new treatment of depreciation, capital consumption allowances have been significantly revised. For example, the new estimate for 1974 is $134.0 billion compared to $119.5 billion on the old basis. Employee compensation and gross output in the corporate sector have been revised upward progressively since 1958 to reflect an upward reappraisal of the importance of corporate activity in several sectors. Thus, for 1974, employee compensation in the corporate sector is now estimated to be $582.4 billion compared to $524.1 billion on the old basis, and gross corporate product is now $854.6 billion in 1974 compared to $770.1 billion on the old basis. Related to these revisions are decreases in corporate profits, and in noncorporate sector employee compensation and gross output. Because the increases in corporate employee compensation exceed the declines in the noncorporate sector, total employee compensation has been revised significantly upward.

FISCAL POLICY

Fiscal policy was expansionary in 1975 compared to what it had been in 1973–74. (Unless otherwise stated, reference is made to calendar, rather than fiscal, years throughout.) The growth in Federal expenditures, which had accelerated in 1974, remained high through mid-1975. The 1975 tax cuts added to the stimulus, with the result that the sharp rise in the full-employment surplus from the end of 1972 to the third quarter of 1974 was entirely reversed in 1975.

After passage of the Tax Reduction Act of 1975 in late March, an $8-billion rebate of 1974 taxes was paid. At an annual rate this represented a $32-billion tax reduction in the second quarter of 1975. From May 1, the amount of individual income taxes withheld was $12 billion lower at an annual rate. This came about because tax liabilities were reduced through a

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$30 credit for each taxpayer and each dependent claimed on tax returns, and through increased standard deductions and low-income allowances. The tax credit for purchasing a new principal residence and the earned income credit will reduce Federal receipts by approximately $1 billion and raise transfer payments by $1 billion in the first half of 1976, when these credits are claimed on 1975 tax returns. An estimated 80 percent of the earned income credit, which is given to certain workers who earned less than $8,000 in 1975, will be in excess of any tax liability otherwise owed and will thus be a transfer payment rather than a tax refund.

The 1975 Tax Reduction Act cut corporate tax liabilities by a gross amount of $4¼ billion. The net reduction was only $2½ billion, however, because percentage depletion for oil and gas was curtailed and because foreign tax credits and deferral of taxes on incomes earned abroad by certain U.S. corporations were limited. The largest of the corporate tax reductions, amounting to $2¾ billion in 1975, resulted from liberalization of the investment tax credit. The rate of this tax credit was increased from 4 to 10 percent for utilities, and from 7 to 10 percent for all other businesses, on equipment acquired after January 21, 1975, and placed in service before January 1, 1977. The doubling of the surtax exemption from $25,000 to $50,000 and the lowering of the regular corporate income tax rate on the first $25,000 of taxable profits from 22 percent to 20 percent decreased 1975 liabilities by $1½ billion.

In all, the Tax Reduction Act of 1975 lowered receipts by around $42 billion at an annual rate in the second quarter of 1975, but most of this drop was temporary. The tax cuts that remained in effect during the last half of 1975 amounted to around $15 billion (annual rate) or 5 percent of the total Federal receipts otherwise obtained. By comparison, the 1964 tax cut that went into effect in 1964 and 1965 lowered Federal taxes by over 10 percent.

On a unified budget basis, the deficit in fiscal 1975 was $44 billion, $9 billion larger than estimated in February 1975. Outlays in fiscal 1975 were $325 billion, $11 billion above the February estimate. Only a fourth of the increase in outlays is attributable to departures from the legislative program assumed in the February budget. Receipts were $281 billion, $2 billion higher than projected, even though the Tax Reduction Act of 1975 reduced receipts in fiscal 1975 by $4 billion more than the budget proposed. Most of the $6-billion difference is explained by higher individual income tax receipts, since refunds of the 1974 tax liabilities were $1 billion less and final settlements $3 billion more than had been anticipated.

FEDERAL EXPENDITURES

On a national income accounts (NIA) basis, Federal expenditures increased from $300 billion in 1974 to $357 billion in 1975, a rise of 19 percent compared to the 13 percent increase the year before. Because the recently released revisions of NIA data have altered the measured level and composition of Federal expenditures, precise comparisons of actual expenditures with

the expenditures projected in the 1976 budget are difficult. Nevertheless, if the budget numbers are roughly adjusted to the new benchmark basis, a comparison can be made. Table 7 shows that Federal expenditures rose $10 billion more than was projected in February 1975, with defense purchases $3 billion, grants $4 billion, and transfer payments to persons over $6 billion higher than projected.

Production and deliveries on defense orders outstanding accelerated, as they have done repeatedly during previous recessions, because of the slack in the suppliers' other business. As a result NIA expenditures rose more rapidly than anticipated. In addition, defense purchases were raised by unexpectedly large cost increases, attributable in part to the high inflation of recent years. Nevertheless the share of defense purchases in total Federal expenditures declined. Federal employee compensation, both civilian and military, was not much higher than projected, since the proposal in the President's budget to place a 5 percent cap on the October 1975 pay raise of Federal employees was sustained by the Congress. Federal purchases other than compensation were about $1½ billion above the February estimates, even though energy-related spending was $1½ billion lower because domestic crude oil prices were not decontrolled as expected.

Grants were $4 billion higher than estimated last February, even though State and local governments did not receive the President's proposed $1½-billion offset for increased energy costs. Higher public assistance payments,

TABLE 7.—*Federal Government receipts and expenditures, national income accounts basis, calendar years 1974–75*

[Billions of dollars]

Receipt or expenditure category	1974	1975	
		February 1975 budget projections [1]	Actual [2]
Federal Government receipts	288.4	280.3	283.5
Personal tax and nontax receipts	131.4	103.7	125.6
Corporate profits tax accruals	45.9	31.7	40.2
Indirect business tax and nontax accruals	21.7	48.7	24.2
Contributions for social insurance	89.4	96.2	93.5
Federal Government expenditures	300.1	346.7	356.9
Purchases of goods and services	111.7	121.5	123.1
National defense	77.4	80.6	84.0
Nondefense	34.3	41.0	39.2
Transfer payments to persons	114.5	139.7	146.1
Transfer payments to foreigners	3.2	5.3	3.0
Grants-in-aid to State and local governments	43.9	50.0	54.2
Net interest paid	21.0	23.2	23.5
Subsidies less current surplus of government enterprises	5.2	7.0	6.8
Less: Wage accruals less disbursements	−.5	.0	.0
Surplus or deficit (−)	−11.7	−66.4	−73.4

[1] Data on a basis comparable to the new benchmark revisions have been estimated by adding to the budget data of last February the changes in actual receipts and expenditures that resulted in 1974 and 1975 from the recent conceptual revisions, calculating percentage changes for the conceptually revised components, and applying these percentage changes to the revised 1974 actual data.

[2] Preliminary.

Note.—Detail may not add to totals because of rounding.

Sources: Department of Commerce (Bureau of Economic Analysis) and Office of Management and Budget.

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education grants which were drawn down in 1975 rather than in 1974, and congressional inaction on Presidential reform proposals for medicaid accounted for most of the increases in grants.

Over half of the $6-billion underestimation of transfer payments to persons is traceable to differences between expected and actual legislation, with the remaining underestimate distributed among a number of programs. Congress failed to enact the proposed 5 percent caps on automatic cost-of-living increases for transfer programs linked to the consumer price index or linked to an index of food costs alone. Social security recipients, for example, received an 8 percent increase in benefits on July 1, 1975, equal to the rise in the consumer price index from the second quarter of 1974 to the first quarter of 1975, according to the automatic cost-of-living formula adopted in 1972. The extra spending for this and other indexed programs, such as supplemental security income, Federal employee retirement and disability, military retired pay, railroad retirement, and food stamps, amounted to $1½ billion. In addition, $1¾ billion was paid to certain social insurance beneficiaries in the second quarter of 1975 as a result of the $50 bonus provided for each recipient by the Tax Reduction Act of 1975.

Over the past decade Federal transfer payments to persons have grown at an increasing pace. Between 1965 and 1973, both years of high resource utilization, the fraction of Federal expenditures accounted for by transfers to persons rose from 24 percent to 35 percent. Since then this share has grown to 41 percent. Only part of the recent rise has been due to higher rates of inflation, the direct Federal funding of certain welfare programs previously financed through grants, and the low levels of economic activity in the past 2 years.

One-third of the $31½–billion growth in transfer payments to persons from 1974 to 1975 cannot be explained by such factors. In 1975 unemployment benefits increased by $11 billion over 1974, with $8½ billion of this rise attributable to higher covered unemployment, $½ billion to higher average weekly benefits in response to wage inflation, and the remaining $2 billion to new legislation extending the scope of unemployment insurance. Since the consumer price index rose 9 percent from 1974 to 1975, additional expenditures of $10 billion were required to hold the real value of Federal transfer payments unchanged. Most of the remaining $10½ billion resulted from noncyclical growth in real transfer payments.

FEDERAL RECEIPTS

Federal receipts (NIA) declined in 1975 as a result of the tax cuts that went into effect at the low point of the business cycle and produced an $18½-billion reduction in receipts (excluding secondary effects). While nominal GNP rose by 6½ percent in spite of the recession, receipts fell by 2 percent, dropping from $288 billion in 1974 to $283 billion in 1975 (Table 7).

The overall decline in receipts closely matched that estimated in February 1975, since larger tax cuts were offset by upward reestimates of

receipts, even though the underlying economic developments were not significantly different from those assumed in last year's budget. The composition of receipts was quite different, however, since the President's energy program was not passed and since his program to provide economic stimulus was changed.

The President's energy program included decontrol of all domestic crude oil prices by April 1, 1975, coupled with higher import fees, excise taxes on domestic oil and natural gas, and a windfall profits tax on domestic producers of oil. In 1975 these additional indirect business taxes were estimated at $26½ billion, $19 billion of which was to be returned to individuals and $6 billion to corporations, through income tax reductions. Unlike the energy program, the President's program to stimulate the economy involved a reduction rather than a rearrangement of taxes. It provided for $12 billion in tax rebates to individuals and a 1-year increase in the investment tax credit for businesses (mostly nonfinancial corporations) costing approximately $3 billion. Hence the President's entire program would have lowered personal tax and nontax receipts by $31 billion and corporate profits tax receipts by $9 billion, compared to the receipts estimated if the 1974 tax laws were applied unchanged to the income levels projected for 1975. The actions actually taken, however, lowered taxes by $16 billion for individuals and $2½ billion for corporations in 1975. Differences in legislation alone would thus have caused individual income tax receipts to be $15 billion higher, corporate income taxes $6½ billion higher, and indirect business taxes (including the $2½-billion import fees on crude oil and products) $24 billion lower than in the February estimates. These program changes accounted for most of the differences among the receipt components shown in Table 7.

BALANCES OF THE FEDERAL SECTOR

The Federal sector deficit (NIA) rose from $12 billion in 1974 to an estimated $73 billion in 1975. Less than half of the $61-billion increase was due to the loss of receipts and the increase in expenditures directly caused by the cyclical downturn, since the decline in the full-employment balance equaled more than half the increase in the deficit (Table 8).

Full-employment surpluses or deficits are the differences between what receipts and expenditures are estimated to be if the economy were operating at the potential output level consistent with 4 percent unemployment.* The

*Until a formal reappraisal of potential output growth over the past decades can be completed in the light of the benchmark revisions and other factors, the following provisional procedure is used to estimate potential GNP in 1972 dollars: The percentage output gap is assumed to be −0.89 percent in the fourth quarter of 1968, the same as it was on the old basis; and potential output is projected to grow subsequently at a 4 percent annual rate, the same rate used before. On the new basis the gap in the third quarter of 1975 is estimated to be 12.63 percent, the same as on the old basis, but differences of more than 1 percentage point are observed in some earlier quarters.

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TABLE 8.—*Actual and full-employment Federal and State and local government receipts and expenditures, national income accounts basis, calendar years 1969–75*

[Billions of dollars; seasonally adjusted annual rates]

Calendar year	Federal Government			State and local government			Combined surplus or deficit (−)
	Receipts	Expenditures	Surplus or deficit (−)	Receipts	Expenditures	Surplus or deficit (−)	
Actual:							
1969	197.0	188.4	8.5	119.7	117.6	2.1	10.7
1970	192.1	204.2	−12.1	134.9	132.2	2.8	−9.4
1971	198.6	220.6	−22.0	152.6	148.9	3.7	−18.3
1972	227.5	244.7	−17.3	177.4	163.7	13.7	−3.5
1973	257.9	264.8	−6.9	193.8	180.9	12.9	6.0
1974	288.4	300.1	−11.7	209.4	201.3	8.1	−3.6
1975 [1]	283.5	356.9	−73.4	232.4	222.4	10.0	−63.5
1974: I	275.7	281.1	−5.3	201.9	192.6	9.4	4.0
II	285.6	293.5	−7.9	207.3	199.1	8.2	.3
III	299.2	307.2	−8.0	213.5	204.5	9.1	1.0
IV	293.1	318.6	−25.5	214.9	209.0	5.9	−19.6
1975: I	283.6	337.4	−53.7	221.2	215.5	5.7	−48.0
II	250.1	352.3	−102.2	228.2	219.4	8.8	−93.4
III	293.3	363.8	−70.5	237.7	224.8	12.9	−57.6
Full-employment:							
1969	199.7	188.8	10.9	120.1	117.6	2.6	13.5
1970	208.9	202.9	5.9	140.6	132.2	8.4	14.3
1971	218.6	218.2	.4	160.4	148.9	11.5	11.9
1972 [2]	234.4	242.7	−8.4	183.9	163.7	20.2	11.8
1973	271.2	263.7	7.5	198.7	180.9	17.8	25.3
1974	323.2	297.8	25.4	224.5	201.3	23.2	48.6
1975 [1]	340.8	348.3	−7.5	259.8	222.4	37.4	29.9
1974: I	297.3	279.5	17.8	211.2	192.6	18.6	36.4
II	315.6	291.9	23.7	220.2	199.1	21.1	44.8
III	337.0	305.0	32.0	229.8	204.5	25.3	57.3
IV	342.7	314.7	28.0	236.7	209.0	27.7	55.7
1975: I	344.8	329.8	15.1	249.6	215.5	34.1	49.2
II	309.8	343.0	−33.3	257.3	219.4	37.9	4.6
III	348.6	355.3	−6.7	263.9	224.8	39.1	32.4

[1] Preliminary.
[2] The $9.1 billion estimated increase in overwithholding of personal income taxes is not included in 1972 full-employment receipts.

Note.—Detail may not add to totals because of rounding.

Sources: Department of Commerce (Bureau of Economic Analysis), Office of Management and Budget, and Council of Economic Advisers.

measurement of these balances has been complicated by several factors in recent years. If they are computed on a consistent basis, however, changes in the full-employment balance can be used to indicate changes in the thrust of fiscal policy. Unlike the levels of these balances, the changes from year to year are not sensitive to the choice of the unemployment rate used to adjust actual receipts and expenditures for cyclical effects. If the calculations are based upon a 4 percent rate, Federal expenditures must be reduced by the difference between actual unemployment benefits and the unemployment benefits that would be paid at 4 percent unemployment under continuing programs. (An analogous adjustment is made to bring unemployment insurance taxes down to a level consistent with 4 percent unemployment.)

In computing the full-employment balance, the introduction of new unemployment benefit programs during the comparison period is handled by treat-

ing all expenditures under these programs as if they were included in full-employment expenditures. By this procedure the change in fiscal stimulus which stems from the adoption of new policy measures can be gauged correctly, even though the additional spending from these programs would not have occurred if unemployment had not risen. Thus full-employment expenditures for 1975 include the Federal supplemental benefits resulting from the increase in the maximum duration of unemployment benefits in December 1974 and March 1975. They also include expenditures under the special unemployment assistance program, which was enacted on a temporary basis in December 1974 to cover some unemployed wage and salary workers who are ineligible for the regular Federal or State programs solely because part or all of their employment was not in the covered sector.

The $33-billion decline in the full-employment balance from 1974 to 1975, a reduction which approached 2 percent of potential GNP, was the largest since the Council's series began in 1955. Full-employment expenditures, which rose 4 percentage points faster than potential GNP in current dollars, and the statutory tax cuts contributed about equally to this result. The swing between individual quarters was even greater. For instance, at an annual rate the actual deficit was $94 billion higher and the full-employment balance $65 billion lower in the second quarter of 1975 than in the third quarter of 1974, when the full-employment budget surplus was at a peak. For both measures, however, $39 billion of the swing was due to the one-time individual income tax rebates and to the special payments to certain social insurance recipients that were made in the second quarter of 1975. The stimulus to the economy resulting from the temporary tax measures was probably far less than that resulting from the reduction in withholding rates. Although the dollar amounts of temporary and permanent individual income tax cuts were roughly equal in 1975, a one-time increase in consumer income is generally expected to raise spending by less than would result from an equal increase in current income which is expected to be maintained.

The fiscal stimulus that remained in place during the second half of 1975 shows that the increases in the full-employment budget surplus which occurred from 1972 to 1974 have been completely offset. Between 1972 and 1974, increasing rates of inflation raised full-employment receipts proportionately more than full-employment expenditures. The decline in the rate of inflation in 1975 may have reversed the operation of this process, since the higher past rates of inflation still contribute to the current growth of full-employment expenditures while they have little effect on the current growth in full-employment receipts.

The effect of declining inflation on actual and full-employment corporate tax receipts has been particularly striking. Inventory profits decreased from $39 billion, or 29 percent of the book profits of corporations in 1974, to $12 billion, or 10 percent of book profits in 1975. Because of this decline, the share of profits in GNP used to estimate corporate profits tax accruals at full employment fell from 11¼ percent to 9½ percent.

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Personal tax and nontax payments also respond disproportionately to changes in the rate of inflation. At full employment, the base of the personal income tax (which is approximated by personal income plus personal contributions for social insurance and minus transfer payments and other labor income) is estimated to be 72 percent of potential GNP. The average tax rate applied to this base rises over time as a result of inflation and growth. When the rate of inflation is about 6 percent, as it was from the fourth quarter of 1974 to the fourth quarter of 1975, and the full-employment tax base is growing by 4 percent per annum in real terms, the overall elasticity of personal taxes is between 1.40 and 1.45 with respect to the personal income tax base. If the nonrebate features of the Tax Reduction Act of 1975 or the provisions of the subsequent Revenue Adjustment Act were extended without change beyond the middle of this year, the average tax rate on the base, which was 13.0 percent in 1974 and 12.3 in the fourth quarter of 1975, would again reach 13.0 percent by the middle of 1977, assuming 4 percent potential growth and 6 percent inflation per year. Under these assumptions it would thus take only about 1½ years to reverse completely the reduction in the average tax rate resulting from the 1975 legislation. Provided that the growth in full-employment expenditures does not exceed that of potential GNP—as it did in 1975—a gradual rise in the full-employment surplus is built into the tax system.

STATE AND LOCAL AND COMBINED BALANCES

The full-employment surplus of State and local governments rose by $14 billion from the third quarter of 1974 to the corresponding quarter of 1975, offsetting over a third of the downswing in the Federal full-employment balance during this period. State and local governments shifted to greater restraint in their fiscal operations to prevent operating deficits from increasing as much as would automatically result from the recession.

State and local governments incurred operating deficits for 5 successive quarters, starting in the second quarter of 1974. The operating deficits are not shown in Table 8, but they can be obtained from the NIA surplus or deficit by subtracting the surplus of the social insurance funds of State and local governments. From the start of 1974 to the middle of 1975 this surplus grew from $9 billion to $11 billion. The operating deficit reached a peak of $5 billion (annual rate) in the first quarter of 1975, in spite of progressive increases in the full-employment surplus during 1974–75. By the third quarter, however, the operating deficit was eliminated after the economic recovery had begun. Toward the end of 1975, State and local governments had a small operating surplus, the first such surplus since late 1973 when the unemployment rate was less than 5 percent.

The swing in the fiscal position of State and local governments has been much more pronounced and procyclical in the last recession than in earlier ones. Though aided by an unusually large increase in Federal grants of $10 billion from 1974 to 1975, many State and local governments were unprepared for the depth and duration of the last recession and hence were

forced to adjust to new economic and financial realities. They did so by keeping the rate of growth of expenditures well below the rate of growth of potential GNP and by enacting tax increases of over $1 billion.

MONEY AND CREDIT

The monetary trends established in the second half of 1974 continued during the first quarter of 1975 as the economic decline intensified. Short-term interest rates fell sharply, continuing the steep decline that had begun in August 1974. During the same period, the growth in monetary aggregates slowed, with the narrowly defined money stock (M_1) actually declining slightly.

In the second and third quarters short-term rates of interest and the monetary aggregates exhibited behavior that is typical around a business cycle trough. Thus the monetary aggregates accelerated sharply just before the turnaround in production that started in April, and they continued to grow rapidly throughout the second quarter. Short-term interest rates reached a trough in June, shortly after the recovery had begun, and then rebounded fairly sharply in the third quarter.

However, neither of these patterns was sustained. Short-term interest rates peaked in September and by December had fallen back to their May levels. The growth in the monetary aggregates, which had fallen off sharply in the third quarter, remained sluggish through the end of the year. In spite of this return to patterns reminiscent of the first quarter of the year, however, GNP continued to grow rapidly from the third to the fourth quarter of the year.

MONETARY AGGREGATES

The steep decline in output in the first quarter of 1975 contributed to a significant slowdown in the rate of growth in the monetary aggregates. The decelerations show up even in 3-month growth rates (Chart 1). The rate for M_1 turns negative in February, while that for M_2 drops by over 2 percentage points from December 1974 to January 1975.

In the second quarter of 1975 this pattern was reversed. The money stock increased strikingly as the Treasury paid out nearly $10 billion in special tax rebates and special payments to certain social insurance recipients. The Federal Reserve did not move to offset the large increase in the money stock, and the aggregates expanded at substantial and accelerating rates. From the end of the first quarter to the end of the second, M_1 grew by 11.7 percent per annum, while M_2 advanced at a 14.1 percent annual rate.

During the third and fourth quarters of 1975 nominal GNP increased at a rapid rate as the recovery progressed. However, the fast growth in the monetary aggregates typical of the early stages of previous recoveries was not sustained this time. In fact monetary growth decelerated sharply in the second half of the year, exactly at the time that income was accelerating. Growth in velocity hence accounted for a larger share of the increase in nominal GNP than has been the case at comparable stages of the

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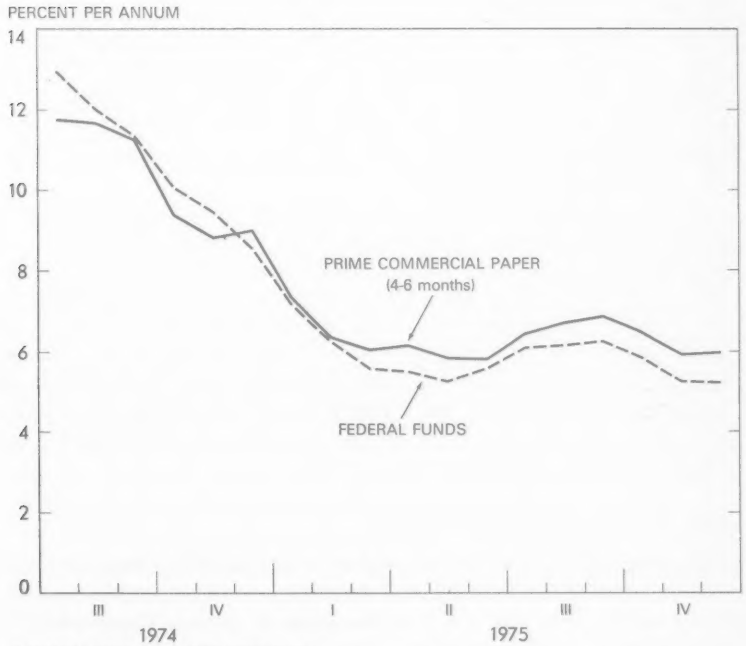
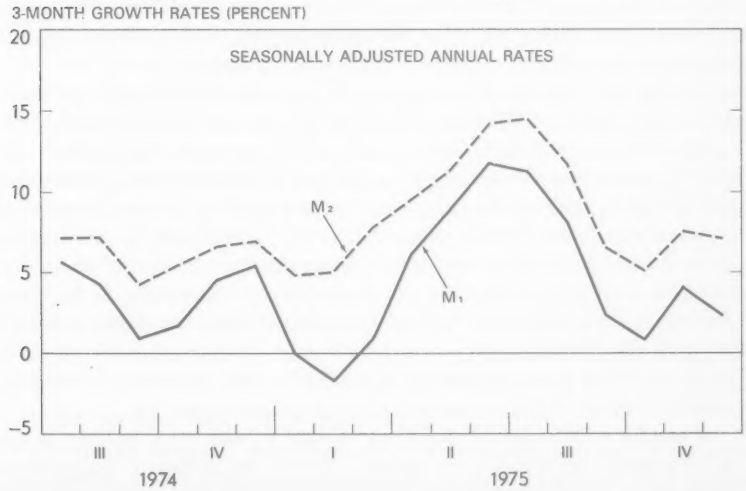
Chart 1

Interest Rates and Monetary Growth





SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

last four postwar recessions. Moreover the large increase in velocity in the fourth quarter occurred when short-term rates of interest were actually falling.

Over the third quarter M_1 grew at a 2.3 percent annual rate, M_2 by 6.5 percent. These represent significant drops from the corresponding rates for the 3 months before: a decline of 9.4 percentage points in the M_1 growth rate, 7.6 points in the M_2 growth rate. These decelerations were large enough that the growth rates of the two aggregates for the 6-month period from March to September fell within the Federal Reserve's prescribed ranges, despite the fact that in May and June the aggregates had grown well above the prescribed ranges.

The growth in the aggregates did not recover significantly in the fourth quarter of 1975, however. From September to December, M_1 grew at a 2.3 percent annual rate, M_2 by 7.0 percent. Because of this persistence of sluggish monetary growth in the fourth quarter, growth in the aggregates for all of 1975 remained moderate. From the fourth quarter of 1974 to the fourth quarter of 1975, M_1 grew by 4.5 percent, M_2 by 8.7 percent. Despite the fact that 1975 was partly a recovery year, the growth in M_1 was somewhat lower than the 5.2 percent rate recorded in the recession year 1974, while the growth in the broader definition of money, M_2, was only a percentage point higher than in 1974.

THE MONEY AND BOND MARKETS

In early 1975, short-term interest rates continued the sharp decline of the last half of 1974, reflecting weak short-term credit demands and reduced inflationary expectations. Yields on new issues of 3-month Treasury bills declined 2 full percentage points from December 1974, reaching a low point of 5.2 percent in June 1975. Over this same period, yields on 4- to 6-month prime commercial paper fell from 9 percent to 5.8 percent.

During the summer short-term rates rose significantly and monetary growth decelerated. Bill rates were near 6½ percent in August and September; commercial paper rates peaked at 6.9 percent in September. This rise in interest rates following a turnaround in business activity was completely in keeping with the behavior of interest rates at comparable stages of previous recoveries. In that sense it was not unexpected, but in another sense it was. In previous recoveries the rise in short-term rates of interest has been associated with a rising private demand for credit. In the third quarter of 1975, however, private demand for credit remained relatively weak despite the rise in output, in part because inventories continued to be liquidated. It is therefore hard to argue that interest rates rose in the third quarter because of the quickening pace of economic activity.

A second explanation is the sharp decline in monetary growth in the third quarter. But if that is the reason, why did the decline in interest rates moderate in the second quarter when the monetary aggregates accelerated sharply? Moreover, the slow growth in the aggregates during the summer

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may have represented the winding-down of a temporary buildup in cash balances due to the rebates, and if so, it should not have put upward pressure on interest rates. Finally, if slow money growth explains the rise in interest rates in the third quarter, how are slow money growth and falling interest rates in the fourth quarter to be reconciled?

A third explanation is that the sharp increase in the CPI in June and July caused inflationary expectations to be revised upward, which in turn led investors to demand higher nominal rates of interest. This reasoning can also explain the reversal of rates in the fourth quarter: the slow rate of price rise in August and a return to the more moderate rates of inflation of the first half of the year led inflationary expectations to be revised back down again.

Rates of interest on long-term securities were much more stable than short-term rates, as is typically the case. Moody's Aaa corporate bond yield, which stood at 9.27 percent in October 1974, declined only to 8.62 percent in February 1975 and fluctuated slightly below 9 percent for most of the rest of the year. A large volume of new issues of long-term corporate debt in the first half of 1975 helped to hold up long-term yields. Because the drop in long rates from their 1974 highs was much less than the fall in short rates, the large premium of short over long rates that had developed in the summer of 1974 was reversed. In July 1974, the 4- to 6-month commercial paper rate was 300 basis points above Moody's Aaa corporate bond yield. In October of last year it was nearly 240 basis points below.

Yields on municipal bonds also displayed a noticeable upward trend for most of the year, although they too fell at year-end. Events in the municipal bond markets were dominated by the financial difficulties of New York City. The uneasiness created by the New York situation raised a general question about the solvency of State and local governments and agencies in the minds of many investors. As a consequence the yields on prime municipal bonds rose moderately relative to both U.S. Government issues and high-grade corporate bonds from June to November, as investors demanded increased risk premiums to buy municipals. Much greater yield increases developed for less highly rated municipals.

Municipal bond markets became more orderly after the November 26 announcement of the President's program of conditional loans to New York City. The spread between interest rates on prime municipal bonds and high-grade corporate bonds promptly returned to approximately what it had been during the summer. However, the yield spread between prime and medium-grade municipal bonds remained at the high levels reached during the New York crisis (roughly 85 basis points), reflecting continued concern by investors about the credit worthiness of some issuers.

OTHER DEVELOPMENTS IN FINANCIAL MARKETS

Continued economic uncertainty, coupled with declines in market rates of interest, contributed to strong inflows of funds into time and savings accounts at commercial banks and into nonbank thrift institutions in 1975.

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This trend was accentuated in early summer by the deposit of tax rebate checks and one-time social security payments. From December 1974 to July 1975 commercial bank time and savings accounts grew at an annual rate of 15 percent, while deposits in thrift institutions increased at nearly an 18 percent rate (Table 9). In the last 5 months of 1975 these flows abated somewhat, especially in the early fall when short-term rates reached their peaks for the year. The inflows stepped up again, however, as rates receded in the autumn. Growth for the last 5 months of the year was at an 8.6 percent annual rate for time and savings deposits in commercial banks and 12.9 percent for deposits in nonbank thrift institutions.

Commercial and industrial loans at commercial banks declined by $7.8 billion from January to June as business inventories were liquidated at unprecedented rates, market yields fell more sharply than bank lending rates, and firms attempted to reduce short-term debt and improve liquidity positions. The decline in total loans was even larger, $11.4 billion. The figures show modest growth in loans after June. However, this may be somewhat misleading because part of the increase represented bankers' acceptances, which are more like short-term money market instruments than loans.

Paralleling the large decline in loans was the sharp runoff of large negotiable certificates of deposit (CDs). From January to August large CDs fell by $14.7 billion, a 26 percent decline at an annual rate. With loan demand weak and deposit inflows strong, commercial banks increased their investments, principally in Treasury securities, by $33.8 billion from January to December. The shift toward investments and away from loans, and the substitution of other time and savings deposits for large CDs have produced

TABLE 9.—*Selected components of commercial bank credit and time and savings deposits, 1974–75*

[Billions of dollars; seasonally adjusted]

Month	Commercial bank credit[1]		Bank time and savings deposits[2]		Deposits at nonbank thrift institutions[2]
	Commercial and industrial loans[3]	Holdings of U.S. Government securities	Large CDs	Other	
1974: July	178.0	55.9	83.6	319.2	360.0
December	182.6	48.8	90.3	329.1	368.2
1975: January	184.1	48.7	92.7	333.2	371.5
February	182.5	53.2	92.1	336.7	375.3
March	180.9	58.5	89.8	340.1	380.8
April	180.5	64.0	88.4	343.1	386.8
May	179.1	68.2	85.5	347.4	392.4
June	176.3	72.4	84.1	353.1	399.2
July	177.6	73.4	82.1	357.0	405.4
August	177.5	75.6	78.0	359.4	410.5
September	176.4	77.1	79.1	361.7	414.8
October	177.9	75.1	81.3	364.6	419.0
November	178.9	76.3	81.4	368.6	423.1
December[4]	177.7	77.9	83.3	371.2	426.4

[1] End of month data.
[2] Averages of daily figures.
[3] Excludes loans sold.
[4] Preliminary.

Source: Board of Governors of the Federal Reserve System.

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a significant restructuring of bank balance sheets. Banks were clearly far more liquid by the end of 1975 than they were at the outset.

The stock market registered a sizable gain during 1975, but still remained substantially below the high levels achieved in the winter of 1972–73. Standard and Poor's index of 500 common stocks rose 38 percent from December 1974 to July 1975, fell about 8½ percent from July to September, but recovered about half of this loss by December.

RANGES FOR MONETARY GROWTH RATES

In May 1975 the Federal Reserve announced ranges of tolerance for the growth rates of M_1, M_2, M_3, and the bank credit proxy for the coming year. This step is potentially quite significant for promoting greater economic stability.

In the first place, explicit ranges of tolerance for monetary growth rates may reduce uncertainty about one important aspect of monetary policy: the growth in the money supply, however defined. By announcing ranges of tolerance, the Federal Reserve has indicated that it does not intend to permit growth rates of the aggregates to deviate too far or too long from a longer-range path.

The new policy may also affect inflationary expectations. By choosing ranges which encompass moderate rates of growth for the aggregates, the Federal Reserve signaled its intention to contain the rate of inflation. Indeed, the Federal Reserve has indicated on several occasions that even the present ranges of tolerance for monetary growth cannot be continued indefinitely if further progress is to be made against inflation.

The base for measuring the rate of growth of each aggregate was initially its March average. Because month-to-month movements in the aggregates have a large random component, the base was subsequently changed to the second-quarter average. A further revision was made in November when the Federal Reserve updated the base to the third-quarter average. In every case, the period for which the ranges were to apply was a year. Hence the ranges currently apply through the third quarter of 1976.

The range for M_1 growth rates has been 5–7½ percent since the ranges were announced in May. For M_2, the range is currently 7½–10½ percent, that for M_3, 9–12 percent. The range for the credit proxy is currently 6–9 percent.

As has been pointed out by the Federal Reserve, the revisions in the base have had the effect of raising the ranges of tolerance, measured from the original March base, for all the aggregates except the credit proxy. The reason is that all of the aggregates except the credit proxy grew near the upper end of the ranges between each of the revisions. Since the third-quarter base was established, however, all of the aggregates have grown below the announced ranges.

CONSUMER INCOME AND SAVING

Real disposable personal income increased 3.7 percent during 1975, after a decline of 3.1 percent during 1974 that was about three times more severe than the decline in any other postwar recession. After decreasing slightly in the first quarter, real disposable income grew at a 5.9 percent annual rate during the last 3 quarters of 1975. The increase was due to the real growth of GNP after the first quarter and the tax reductions stemming from enactment of the Tax Reduction Act of 1975. This act provided $8.1 billion in cash rebates and lowered withholding by $7.8 billion for the year as a whole, although reduced withholding did not begin until May 1. The act also included $1.8 billion in one-time $50 payments to social security and certain other pension recipients.

The composition of personal income growth shifted as the economy moved from recession into recovery in 1975 (Table 10). Transfer payments rose rapidly in the first half of the year, while income gains in the second half were largely due to increases in wages and salaries. At an annual rate, transfer payments rose $12.3 billion in the first quarter of 1975, $11.8 billion in the second quarter, and $3.1 billion in the third. About half of the second-quarter increase was due to the one-time $50 social security payments, whose later absence was largely offset by a $6.7-billion cost-of-living increase for social security recipients in the third quarter. At an annual rate, wages and salaries increased by only $4.0 billion in the first half of 1975 and then increased by $42.9 billion in the last half of the year as the recovery progressed. Proprietors' income was affected most by changes in farm income, which fell sharply in the first half and rebounded in the second half.

For the year as a whole, personal saving averaged 8¼ percent of disposable income, higher than the 7 percent average from 1969 to 1973 and the 6 percent average from 1960 to 1969. The saving rate rose sharply to 9.9 percent in the second quarter, largely because of the tax rebates and one-time transfer payments. Many consumers apparently made their spending decisions on the basis of longer-run expected income, and so a large portion of this temporary increase in income was saved. If the 7 percent saving rate which was the norm over the preceding cycle had applied in the second quarter of 1975, consumer expenditures would have been about $32 billion higher than they actually were. This suggests that roughly 80 percent of the one-time Federal payments, including both the rebates and the social security bonuses, was saved during the quarter. In the last half of 1975 the saving rate averaged 8.0 percent.

While data limitations make empirical analysis difficult, a number of hypotheses have been advanced to explain the generally higher saving rates of the 1970s relative to those of the 1960s. One set of explanations has focused on the effects of real household net wealth on personal saving rates. If consumer spending depends positively on wealth, a fall in wealth relative to

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TABLE 10.—*Changes in personal income measures, 1974–75*

[Percent change; seasonally adjusted annual rates]

Income measure	1974	1975[1]	1975			
			I	II	III	IV[1]
Personal income[2]	9.5	7.9	3.0	6.9	12.9	10.9
Labor income	9.3	5.5	−.6	3.8	10.5	12.0
Proprietors' income[3]	−7.2	−2.1	−17.8	−4.9	57.1	−4.5
Property income[4]	15.3	10.1	5.6	4.3	12.0	17.7
Transfer payments	18.4	24.6	36.6	31.5	7.2	6.6
Disposable personal income:						
Total, current dollars	8.9	9.5	3.2	24.5	2.0	10.4
Total, 1972 dollars	−1.5	1.6	−2.8	19.7	−5.2	4.8
Per capita, 1972 dollars	−2.1	.8	−3.7	18.8	−6.3	4.0

[1] Preliminary.
[2] Includes personal contributions for social insurance, not shown separately.
[3] With inventory valuation and capital consumption adjustments.
[4] Rental income (with capital consumption adjustment), dividends, and personal interest income.

Source: Department of Commerce, Bureau of Economic Analysis.

income will reduce the average propensity to consume and hence raise the saving rate. One important difference between the 1960s and the 1970s has been the much higher inflation rate in the later period. If the higher inflation rate produced a decline in real household net wealth, saving rates may have been raised. Corporate equities are one important component of household financial assets, and it is revealing to examine their behavior during the 1970s.

In 1969, Standard and Poor's composite price index for 500 common stocks averaged 97.8. The index peaked in early 1973 at 120.2 and declined more or less continuously through the end of 1974. Despite a rise during 1975 the index stood at 90.2 at year-end, 8 percent below its level in 1969. By contrast, the price level rose continuously throughout the period: the consumer price index rose 47 percent between 1969 and the end of 1975. Taken together, these data imply that the real value of equities declined 37 percent from 1969 to the end of 1975.

Another explanation of the higher saving rates during the 1970s is that high and variable inflation and unemployment rates have created an unusual degree of uncertainty for consumers. This uncertainty may have reduced expected real income and hence raised saving rates.

CONSUMER EXPENDITURES

Real consumption declined to a trough in the fourth quarter of 1974, 2.8 percent below its previous peak. In the fourth quarter real outlays for nearly all categories of consumer goods fell sharply. This was a major reason for the involuntary buildup of inventories that depressed production in early 1975. Although the severity in the total decline of consumption during the recession was tied to the extraordinary decline in real disposable income from late 1973, the decline in demand at the end of 1974 was unexpectedly large. Judging from monthly retail sales data, the pace of con-

sumption began to increase early in the first quarter of last year and remained strong through midyear. During the last half of the year the growth of consumption slowed somewhat. From the fourth quarter of 1974 to the fourth quarter of 1975 real consumption rose 3.9 percent, while the 1975 average was 0.9 percent above the 1974 average. Not surprisingly, during this cycle purchases of durable goods declined most severely and showed the sharpest recovery, while nondurables fell off less and most services were fairly stable.

Durables fell 17 percent from their prerecession peak and then rose 11 percent during last year. This decline was much greater than in any previous recession, while the magnitude of recovery was representative of past cycles. Automobile sales dominated both the sharp decline in durables in late 1974 and their recovery during 1975. New car purchases collapsed in the fourth quarter of 1974, declining by 30 percent. Some of the sharpness of the drop in late 1974 reflected a concentration of auto sales in the third quarter of 1974, when consumers increased purchases of 1974 models to avoid the large price increases announced for the 1975 models. The impact of the price increases was accentuated by several factors. The list price increases were exceptionally large because of several factors, including newly required safety and air pollution control equipment. In addition, the price increases were concentrated on smaller and medium-sized models, which have the greatest price sensitivity. Furthermore the increases followed a series of extraordinary rises in the course of the 1974 model year.

The auto manufacturers introduced sizable rebates as well as other discounts in mid-January of last year. These remained in effect, for the most part, through March. Sales of domestic new cars improved from a seasonally adjusted annual rate of 5¾ million cars in December 1974 to a 7¼-million rate in February 1975. After the end of the rebate period in late March, sales fell back to about 6 million. Both the first-quarter surge and the second-quarter slowdown in sales were dominated by movements in the sales rate of small domestic cars, which were the principal beneficiaries of the rebate discounts of the first quarter. Sales followed a moderately upward trend during the balance of the year, reaching an annual rate of about 8 million by the fourth quarter.

Real outlays for nondurable goods increased by more than 4 percent during 1975, after a reduction of nearly 3 percent during 1974. Previous postwar declines exceeded 1 percent only once, during the 1958 recession. Reduced real outlays for clothing, food, house furnishings, and miscellaneous items dominated the fall-off, while increases in food and clothing led the recovery in nondurables. About 11 percent of the total decline in real consumption of nondurables from the third quarter of 1973 to the last quarter of 1974 was a result of smaller energy purchases.

Personal consumption expenditures for energy, in constant dollars, rose 4.0 percent last year over 1974, but were still 1.3 percent lower than in 1973. By the end of 1975 real consumer outlays for gas and electric utility

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services were slightly higher than their peak in the third quarter of 1973, while real outlays for gasoline and motor oil declined by about 2½ percent over the same period. On the other hand, real outlays for fuel oil and coal declined over 30 percent from their peak in the last quarter of 1972 to the end of 1975, partly because of warmer than average weather.

BUSINESS FIXED INVESTMENT

Business fixed investment was almost unchanged in 1975 in current dollars but was down 12 percent in real terms. This drop in real investment outlays reflected the combination of recession and inflation in 1974, which lowered capacity utilization and operating profits and raised the replacement cost of plant and equipment. In addition, the declines in common stock and bond prices through most of 1974 depressed the market values of corporate stocks and bonds to a level below the replacement cost of the underlying assets, thereby discouraging investment expenditures.

Real investment outlays fell rapidly through the second quarter of 1975. In the third quarter a sharp rise in car and truck purchases largely offset declines in other producers' goods, while nonresidential construction was unchanged. By the fourth quarter there were widespread increases in purchases of producers' durable equipment.

At the start of 1975 several industries, notably materials producers, planned year-to-year increases in real investment. There were real increases in investment by the steel, petroleum refining, and mining industries, while investment by the paper and chemical industries was about unchanged. These are all industries in which capacity constraints existed in 1973. This investment strength is significant because all of the manufacturing industries in the group, except petroleum refining, were experiencing lower rates of capacity utilization early in 1975 than the average for manufacturing as a whole. Nonelectrical machinery, another industry in which some shortages were apparent in 1973, slowed its rate of real investment somewhat in 1975. This industry had increased real investment substantially in 1974, however. Other industries reduced their investment as utilization of capacity dropped last year. Among these were electrical machinery, autos and trucks, textiles, and rubber manufacturing.

Improving profits and sales after the first quarter of 1975 were reflected in new orders for nondefense capital goods. From their trough in the first quarter, new orders rose 6 percent to the third quarter and then grew more slowly in the fourth. However, indicators of planned commercial and industrial construction showed slow growth from their early 1975 lows.

RESIDENTIAL INVESTMENT

The annual rate of total private housing starts increased to 1.4 million units by the fourth quarter of last year from a 1.0-million rate in the fourth quarter of 1974. While both single and multifamily starts increased over 40 percent during 1975, the share of multifamily starts in the total remained

below the average of the early 1970s. Real residential investment, which lags housing starts by 1 or 2 quarters, bottomed out in the first half of 1975 and then began to rise appreciably, from $34 billion in the second quarter to $41 billion in the fourth. Nevertheless for 1975 as a whole real outlays were 18 percent below their 1974 level. A discussion of the factors affecting residential investment appears in Chapter 1.

INVENTORY INVESTMENT

During the first 3 quarters of 1974, firms increased their inventories in response to earlier shortages and expectations of future price and sales increases. The ratio of nonfarm inventories to final sales rose to 0.261 in the third quarter of 1974 from a level of 0.244 a year earlier. In the fourth quarter the decline in real nonfarm business final sales at an annual rate of 11.4 percent produced a further, largely involuntary, inventory accumulation. The nonfarm inventory-sales ratio increased to 0.271 in the fourth quarter, the highest level of the postwar period. Of the $9.0-billion annual rate increase in real nonfarm inventories in the fourth quarter, $2.6 billion was due to increased automobile inventories.

In response to the large accumulation of inventories, purchases from manufacturers were reduced. As a result real retail and wholesale trade inventories declined at an annual rate of $13.8 billion in the first quarter of 1975, including a $5.5 billion annual rate decline in new car stocks. Manufacturing inventories were not reduced rapidly until the second quarter. This pattern, in which changes in trade inventories lead changes in manufacturing inventories, is a typical cyclical one (Table 11).

The real nonfarm inventory decumulation slowed to a $3.3-billion annual rate in the third quarter. Inventory reductions continued in the fabricated metals and machinery sectors and began in the primary metals sector, where

TABLE 11.—*Changes in business inventories, 1974–75*

[Billions of 1972 dollars; seasonally adjusted annual rates]

Type	1974 IV	1975 I	1975 II	1975 III	1975 IV [1]
Total business inventories	7.6	−19.0	−20.7	−0.8	0.2
Farm	−1.5	−1.2	−.1	2.5	3.7
Nonfarm	9.0	−17.9	−20.6	−3.3	−3.5
Manufacturing	7.0	−3.0	−9.2	−5.4	−.8
Durable goods	4.3	.2	−4.5	−6.5	−3.6
Nondurable goods	2.7	−3.2	−4.7	1.0	2.8
Wholesale trade	1.5	−3.5	−5.6	−.8	−2.8
Durable goods	2.2	−.4	−2.4	−1.6	−1.2
Nondurable goods	−.7	−3.1	−3.2	.8	−1.6
Retail trade	.2	−10.3	−4.5	3.6	−.1
Durable goods	4.5	−10.3	−3.0	3.7	−.8
Nondurable goods	−4.3	−.0	−1.5	−.1	.7
All other	.3	−1.1	−1.2	−.6	.2

[1] Preliminary.

Note.—Detail may not add to totals because of rounding.

Source: Department of Commerce, Bureau of Economic Analysis.

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inventory accumulation had continued through the second quarter. In most other industries the inventory correction was largely ended as rising sales and the preceding inventory decumulation brought inventories closer to desired levels. The ratio of nonfarm inventories to final sales fell to 0.254 in the third quarter of 1975, the lowest level since the first quarter of 1974. The ratio declined further in the fourth quarter, largely as a result of accelerating final sales.

NET EXPORTS

On an NIA basis nominal net exports rose by $14.2 billion during 1975. Real net exports increased $6.9 billion, the result of a 2.4 percent decline in real exports and an 11.7 percent decline in imports. Both real imports and real exports began to increase in the second half of the year. Most of the increase in real net exports reflected shifts in merchandise trade flows, which were dominated by cyclical developments here and abroad.

On a balance of payments basis the volume of merchandise imports fell at an annual rate of 13.8 percent between the fourth quarter of 1974 and the third quarter of 1975. This fall largely mirrored the inventory decumulation which characterized most of 1975. For example, imports of industrial supplies other than petroleum, which are particularly sensitive to inventory shifts, fell at an annual rate of almost 40 percent during the first 3 quarters of 1975. Imports of finished goods also reflected inventory shifts, especially in the case of automobiles, and the weakness of final demand. Toward the end of the year, as the inventory adjustment tapered off, the volume of imports, particularly of consumer goods, began to increase.

Export volume remained stable during the year despite the recession in most industrial countries. This stability resulted mainly from a rise in agricultural exports, which partly offset a decline in other merchandise exports. Exports of capital goods stabilized at a rather high level, partly because delivery of these goods tends to lag behind the cycle and partly because shipments to oil-producing countries increased. In addition, the relative improvement in price competitiveness resulting from the exchange rate changes that occurred in earlier years helped to keep export and import flows above their cyclically expected level. This fact was particularly noticeable in the exports of consumer goods, which had been increasing steadily from 1972 through 1974 and which remained fairly stable in the first 3 quarters of 1975 despite depressed consumption demand abroad.

In the services category of the balance of payments accounts, services other than investment income showed a 5.9 percent annual rate of growth from the fourth quarter of 1974 to the third quarter of 1975. Receipts of investment income from other than direct investments abroad declined slightly during the same period. On the other hand, income from direct investments abroad dropped sharply: the average for the first 3 quarters of 1975 was roughly one-half the average of 1974. This drop is tied to what may be a structural shift in favor of self-financing by overseas entities of U.S. firms.

GOVERNMENT PURCHASES

Real Federal purchases of goods and services declined 2.4 percent during the year ending in the second quarter of 1975. In part, this resulted from a rate of inflation that was higher than expected, and thus meant that budgeted levels of nominal spending were translated into lower real purchases. As inflation slowed, real Federal purchases rose in the second half of last year.

Real State and local government purchases increased 2.4 percent last year, a somewhat slower rate than the average of the early 1970s, and a much slower rate than the average of the postwar period. The slowing of the rate of growth in the early 1970s below its postwar average was primarily the result of longer-run factors which are described in Chapter 1. In the last 2 years, the depressing effects of the recession on receipts and the difficulties in borrowing encountered by some jurisdictions further reduced the rate of growth of real outlays..

The growth of State and local purchases was sustained in 1975 by a large rise in Federal grants-in-aid. The increase in grants contributed nearly half the increase in total receipts—$10.3 billion in a total increase of $23.0 billion—even though grants account for less than one-quarter of total receipts.

PRICES, WAGES, AND PROFITS

PRICES

Inflation moderated in 1975 from the near-record rates of 1974 but remained very high by any other historical standard (Table 12). The slowing of inflation in early 1975 was due both to the sharp reduction in aggregate demand and to smaller increases in energy and food prices. From the fourth quarter of 1974 to the fourth quarter of 1975 the implicit price deflator for GNP rose 6.4 percent. This rate was 1.1 percentage point less than the rate during 1973 and only slightly more than one-half the rate during 1974. The easing of inflation in 1975 was about the same when measured by the deflator for nonfarm business gross product, which increased 7.0 percent during 1975 compared to 12.6 percent during 1974. The deflator for farm output declined 3.1 percent during 1975, largely as a result of the sharp downturn of farm product prices in the first quarter.

The behavior of some final demand deflators in 1975 is particularly noteworthy. After increasing approximately 27 percent in 1974, the deflator for exports rose only 10 percent in 1975. This deceleration reflected the sharply reduced world prices of food grains, feed grains, and oilseeds in 1975. Although the price deflator for the fixed investment component of GNP rose at a 16 percent annual rate in the first quarter, it slowed to less than 6 percent during the last half of the year. The persistence of high inflation rates in investment goods during the first quarter reflected sharp increases in prices of producer finished goods, particularly machinery and transportation equipment, at the end of 1974 and early in 1975, as well as rising residential construction costs.

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TABLE 12.—*Changes in selected price measures, 1973–75*

[Percent change; seasonally adjusted annual rates]

Price measure	1973 IV to 1974 IV	1974 IV to 1975 IV [1]	1975			
			I	II	III	IV [1]
GNP implicit price deflator:						
Total GNP	11.4	6.4	7.8	4.3	7.1	6.5
Business	11.6	6.7	9.2	4.3	7.2	6.1
Nonfarm	12.6	7.0	12.2	3.3	5.9	6.8
Farm	−7.5	−3.1	−45.9	29.4	36.2	−7.5
Consumer price index:						
All items	12.1	7.3	8.0	6.0	8.5	6.7
Food	12.0	7.1	6.1	2.8	12.4	7.4
Directly purchased energy [2]	25.5	11.7	6.2	12.2	21.7	7.5
All other items	10.9	6.9	9.8	6.2	5.6	6.3
Wholesale price index:						
All commodities	22.4	4.3	−4.4	4.4	8.2	9.6
Farm products	−.1	4.3	−34.2	24.5	30.7	10.2
Processed foods and feeds	21.8	−2.0	−17.0	−.7	11.1	.4
Industrial commodities	27.1	5.9	5.5	2.2	5.8	10.5
Energy [3]	57.4	12.7	3.9	9.1	22.9	15.5

[1] Changes in GNP deflators are preliminary.
[2] Gas and electricity, fuel oil and coal, and gasoline and motor oil.
[3] Fuels and related products and power.

Sources: Department of Commerce (Bureau of Economic Analysis) and Department of Labor (Bureau of Labor Statistics)

Consumer Prices

The quarterly movements of the CPI roughly paralleled those of the GNP deflator in 1975. During the first 6 months consumer prices increased at approximately half the 12 percent annual rate during the last 6 months of 1974. In the third quarter of 1975 the rise in the CPI accelerated to 8.5 percent, largely because of increases in food and energy prices, but then moderated somewhat in the fourth quarter. Prices increased in the second half of 1975 at an annual rate of about 7 percent, considerably less than the rate experienced in 1974.

Energy prices in the CPI accelerated rapidly in the first 3 quarters of 1975 before slowing in the fourth quarter. The rise in energy prices reflected the effects of the imposition of import fees on crude oil, a 60-cent import fee on refined petroleum products, and the pass-through of higher costs of energy materials by utilities. Nevertheless the 12 percent rise in the energy price component of the CPI for the year as a whole was much less than the 29 percent advance in 1974. Petroleum products remained under price controls in 1975, although authority for economy-wide controls had expired in 1974. Separate authority for petroleum price controls was extended temporarily in September and November 1975 and then for 5 years in December.

Among CPI components, food prices showed the most significant deceleration in the first half of 1975, slowing from an annual rate of increase of 17.3

percent in the fourth quarter of 1974 to a 2.8 percent annual rate by the second quarter of 1975. This behavior reflected sharply reduced prices at the wholesale level. As a result of increases in the price of meats, especially pork, and of fresh vegetables, the CPI food component accelerated in the third quarter. In the fourth quarter, increases in food prices were smaller than in the third, but were still above the average increase in the first half of the year. Although the rate of increase in food prices slowed in 1975 from the double-digit rates of the previous 2 years, it was more than twice as high as the average yearly increase since 1947.

Wholesale Prices

Average prices of industrial commodities increased 5.9 percent from the fourth quarter of 1974 to the fourth quarter of 1975, less than one-fourth the 27 percent rate during 1974. The price deceleration was evident in the commodity groups comprising 95 percent of the industrial commodity index. Wholesale energy prices rose 57 percent during 1974, but only 13 percent during 1975. Price movements of industrial commodities during 1975 generally coincided with the dominant economic pattern of recession in the first half and recovery in the second half. Seven of the 13 major commodity groups showed seasonally adjusted price declines in the first or second quarter; prices in the metals and textile groups fell in both quarters. The industrial commodity price index registered its lowest rate of increase in the second quarter. The rate then more than doubled in the third quarter and increased further in the fourth quarter to a 10.5 percent annual rate. Such wide fluctuations in the rate of increase of wholesale industrial commodities are not unusual, particularly near a cyclical turning point.

After increasing about 12 percent during 1974, the index of farm products and processed foods and feeds rose only 0.3 percent during 1975. Following a decline in the first quarter, this index rose in the second and third quarters because of reduced supplies of some livestock products and unexpectedly high foreign demand for grains. In the fourth quarter, however, a record U.S. grain crop put downward pressure on wholesale food prices.

Nonfood crude materials prices increased 1 percent during 1975 after a 31 percent rise during 1974 and a 15 percent average annual increase for the past 5 years. These prices, however, fluctuated from month to month during the year.

WAGES

The rate of increase in nominal wages slowed from 1974 to 1975. The average hourly earnings index of all production workers in the private nonfarm economy, adjusted to exclude the effects of interindustry shifts in employment and overtime in manufacturing, decreased from an annual rate of 9.3 percent during 1974 to 8.1 percent during 1975. Real wages, which had been declining since the third quarter of 1973, began to rise in

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the first quarter of 1975. For the last 3 quarters of 1975 real wages rose at a 2 percent annual rate. The large decrease in real wages in 1974 was partly the result of a much greater rate of inflation than was expected. The sharp rise in unemployment from late 1974 to mid-1975, however, probably had a depressing effect on nominal wage rates in 1975.

Wage increases for the 11 percent of the labor force who are covered by major collective bargaining agreements (covering 1,000 or more workers) exhibited a similar pattern (Table 13). In the second and third quarters of 1975 the effective change in wages was slightly less than that of a year earlier. The decline in the effective wage rate change relative to 1974 was not due to slower increases in first-year wage changes for new contracts, but to a substantial decrease in the proportion of workers under major contracts expiring in 1975. Wage increases due to escalator provisions were larger in 1975 than in 1974.

A broader measure of labor costs, compensation per employee hour in the private nonfarm sector, covers all employees and includes supplements to wages and salaries. The pattern of compensation per hour during the last 2 years has also been similar to that of the adjusted hourly earnings index.

TABLE 13.—*Changes in major collective bargaining settlements, 1973–75*

[Percent]

Type of change and industry group	1973	1974	1975[1]	1974				1975[1]			
				I	II	III	IV	I	II	III	IV
Wage settlements:											
First-year wage change (annual rate)	5.8	9.8	10.2	7.1	9.2	11.2	10.3	12.5	9.8	10.0	11.5
Percent of workers covered by current quarter settlements[2]	52	50	28	7	18	19	6	5	6	8	2
Effective wage rate change:[3]											
Total effective changes	7.0	9.4	8.6	1.3	3.0	3.4	1.6	1.7	2.1	3.3	1.5
Adjustment resulting from:											
Current settlement	3.0	4.8	2.7	.3	1.6	2.0	.8	.6	.7	.7	.5
Prior settlement	2.7	2.6	3.7	.6	.9	.9	.3	.6	1.1	1.5	.5
Escalator provision	1.3	1.9	2.2	.3	.5	.5	.5	.4	.3	1.0	.4
Manufacturing	7.3	10.3	8.4	1.4	3.5	3.0	2.0	1.8	2.1	2.8	1.6
Nonmanufacturing, excluding contract construction	7.0	8.3	9.1	1.3	1.7	3.9	1.4	1.9	1.2	4.2	1.7
Construction	4.8	9.1	8.1	.6	4.3	3.2	.8	.8	4.5	2.1	.6
Transportation and public utilities	7.4	7.6	9.5	1.3	1.0	4.7	.6	1.7	.8	5.2	1.7
Wholesale and retail trade	6.3	10.3	9.1	1.4	3.7	3.1	1.9	2.4	2.1	3.0	1.5
Services	6.4	7.0	6.3	1.0	1.9	2.5	1.6	2.0	.7	2.1	1.4

[1] Preliminary.

[2] Percent of estimated number of workers under major collective bargaining settlements. Individual quarterly data for 1975 are based on preliminary estimates that do not add to the current total for the year.

[3] Effective wage rate changes are wage rate changes actually going into effect per worker under major contracts in the respective quarters resulting from major collective bargaining settlements, made that calendar year, plus deferred increases in accordance with prior-year contracts plus escalator adjustments.

Note.—Data relate to settlements covering 1,000 or more workers in private nonfarm industries.
Effective wage rate adjustment for the year is the total of the four quarterly changes, except as noted.
Detail may not add to totals because of rounding.

Source: Department of Labor, Bureau of Labor Statistics.

PRODUCTIVITY

Labor productivity in the private nonfarm sector increased 4.3 percent during 1975 after dropping 3.0 percent during the previous year. Productivity declined at a 0.5 percent annual rate in the first quarter of 1975 and then increased at an annual rate of 6.0 percent in the following 3 quarters (Table 14). This pattern is typical of business cycles (Table 15), in that labor productivity grows at a low rate or declines in a recession, increases sharply as the recovery begins, and then increases at a slower rate as recovery continues. The data in Table 15 suggest that the magnitude and the duration of the decline in labor productivity in the recent downturn were greater than in other postwar recessions, including the most severe previous recession of 1957–58.

During a downturn in economic activity, firms reduce current production at a rate faster than they reduce hours worked. The reason is that there are costs associated with hiring (or rehiring) and training workers, and some workers on layoff may move to another area, or take a job with another firm in the same area, and not be available when the layoff is over. In addition, a decline in hours of work need not result in a proportionate decline in labor costs, because some employer-paid fringe benefits like health insurance may continue for several months after the start of a layoff. There is, therefore, reluctance on the part of firms to adjust the work force fully during the initial stages of a recession when they are uncertain about the extent and duration of the downturn. This "retained" labor is not necessarily idle but may rather be working at a slower rate or engaging in maintenance work that may increase future output. In the most recent recession the cyclical adjustment of employment may have been slower than is typical because of the great uncertainty during 1974 about the future course of output.

As recovery begins, the currently employed workers return more intensively to production tasks. There is a less than proportionate increase in employment so that output per hour worked increases sharply. As it be-

TABLE 14.—*Changes in costs and productivity in the private nonfarm economy, 1974–75*

[Percent change; seasonally adjusted annual rate]

Quarter	Adjusted average hourly earnings [1]	Compensation per hour	Output per hour	Unit labor costs
1974: I	6.8	8.7	−3.8	13.0
II	10.1	11.6	−1.8	13.7
III	10.7	11.4	−2.9	14.7
IV	9.6	10.9	−3.4	14.8
1975: I	8.6	9.3	−.5	9.9
II	7.5	6.5	8.3	−1.6
III	8.6	8.5	8.7	−.2
IV	7.7	6.7	1.1	5.6

[1] Adjusted for overtime (in manufacturing only) and interindustry shifts.

Note.—Data for adjusted hourly earnings relate to production or nonsupervisory workers; all other data relate to all employees.

Source: Department of Labor, Bureau of Labor Statistics.

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TABLE 15.—*Quarterly changes in labor productivity in postwar recessions, private nonfarm economy*

[Seasonally adjusted annual rates]

Recession year	Trough quarter [1]	Percent change from previous quarter [2]								
		T–4	T–3	T–2	T–1	Trough	T+1	T+2	T+3	T+4
1948–70 recession years average		1.9	1.3	2.1	3.9	4.0	8.3	3.1	2.2	1.1
1948–49	1949 IV	5.4	3.5	4.6	9.2	−.8	16.2	.0	.5	−.5
1954	1954 III	.0	1.7	2.8	2.0	7.5	2.9	6.2	.0	.7
1958	1958 II	2.0	4.3	2.4	−1.2	9.1	6.1	5.0	.9	2.4
1960–61	1961 I	4.3	−3.4	−1.6	2.1	6.0	8.7	1.0	5.6	4.7
1969–70	1970 IV	−2.0	.3	2.3	7.4	−1.9	7.7	3.1	4.0	−2.0
1974–75 recession	1975 II	−1.8	−2.9	−3.4	−.6	8.3	8.7	1.1	------	------

[1] The following quarters are those designated as cyclical troughs by the National Bureau of Economic Research (NBER): 1949 IV, 1954 III, 1958 II, and 1961 I. Trough quarters of real GNP were used for 1970 IV and 1975 II as NBER has not designated these quarters as cyclical troughs.

[2] Quarters before trough are minus and quarters after trough are plus.

Note.—Data relate to all employees.

Sources: Department of Labor (Bureau of Labor Statistics) and National Bureau of Economic Research.

comes clearer that the recovery is widespread and will be sustained, employers are more willing to incur the costs of expanding employment. Further increases in output are then accompanied by increased hours of work, and measured labor productivity changes converge to the long-term trend rate.

UNIT LABOR COSTS

The change in output per hour was the most important determinant of the change in the unit labor cost of output in 1975 (Table 14). Unit labor costs in the nonfarm economy rose at extraordinary rates during 1974 as productivity declined throughout the year. Severe employment cuts in the first half of 1975 and then sharply rising output in the third quarter raised productivity changes to well above trend. Unit labor costs actually declined in the second and third quarters. Unit labor costs rose 5.6 percent in the fourth quarter as the growth of productivity slowed. This rate of increase of unit labor costs appears to be near the longer-term trend given current rates of increase in wages.

PROFITS OF NONFINANCIAL CORPORATIONS

Although profits before tax declined, some significant measures of corporate profitability improved in 1975 (Table 16). Operating profits—corporate profits with inventory valuation and capital consumption adjustments—increased by 27.7 percent, from $63.2 billion in 1974 to $80.7 billion in 1975. Largely because of increasing prices and decreasing unit labor costs, the share of operating profits in the net product of nonfinancial

TABLE 16.—*Profits of domestic nonfinancial corporations, 1973–75*

[Billions of dollars; seasonally adjusted annual rates]

Item	1973	1974	1975	1975		
				I	II	III
Corporate profits with inventory valuation and capital consumption adjustments	75.9	63.2	80.7	55.3	75.7	92.7
Inventory valuation adjustment	−18.4	−38.5	−11.5	−13.7	−6.6	−9.9
Capital consumption adjustment	1.6	−2.1	−5.6	−4.1	−4.5	−5.9
Profits before tax	92.8	103.8	97.7	73.1	86.8	108.5
Addendum:						
Corporate profits with inventory valuation and capital consumption adjustments as percent of net domestic product	11.1	8.7	10.4	7.6	10.0	11.7

Source: Department of Commerce, Bureau of Economic Analysis.

corporations rose markedly, from 7.6 percent in the first quarter to 10.0 percent in the second, reaching a level higher than the 8.7 percent share for 1974 as a whole. This increase of the profit share accounted for $20.3 billion of the $20.4-billion annual rate increase in profits in the second quarter. In the third quarter, the share increased to 11.7 percent, accounting for $15.1 billion of the $17.0-billion annual rate rise in profits. Another measure of the share of income accruing to capital may be obtained by expressing net interest and operating profits less profits tax liability as a proportion of net domestic product. This share had declined almost continuously from 12½ percent in 1965 to 7 percent in 1974 before increasing rapidly to over 11½ percent by the third quarter of 1975.

Despite a decline in profits before tax of nonfinancial corporations, after-tax profits changed little from 1974 because of the provisions of the Tax Reduction Act of 1975. The act reduced general corporate taxes by $4¼ billion but raised $1¾ billion in new revenues by curtailing percentage depletion and restricting foreign tax credits. The revenue-raising features of the Tax Reduction Act chiefly affected the petroleum industry. The corporate tax reductions helped to reduce the effective total tax rate on domestic nonfinancial corporate profits from 41.1 percent in 1974 to 38.2 percent in 1975.

The recovery of operating profits and rapid disinvestment in inventories during the first half of the year allowed nonfinancial corporations to reduce their dependence upon external financing and to alter the structure of their liabilities. As Table 17 shows, corporations borrowed at an annual rate of $19.2 billion through the first 3 quarters of 1975, a rate far below those of the previous 2 years. In addition, corporations were able to lengthen the maturity of their debt by reducing bank loans at an annual rate of $20.1 billion in the first 3 quarters of the year, the largest decline in loan demand during the postwar period. Finally, some corpora-

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TABLE 17.—*Net funds raised in financial markets by nonfinancial corporations, 1973–75*

[Billions of dollars; seasonally adjusted annual rates]

Item	1973	1974	1975		
			I	II	III
Total funds raised	67.2	77.1	27.2	29.3	29.8
Net new equity issues	7.4	4.1	7.7	12.9	8.1
Debt instruments	59.7	73.0	19.4	16.4	21.7
Tax-exempt bonds	1.8	1.6	1.7	3.2	2.4
Corporate bonds	9.2	19.7	40.1	30.5	21.2
Mortgages	16.1	10.9	2.5	6.3	7.9
Bank loans [1]	30.6	29.9	—26.4	—20.0	—13.8
Other [2]	2.0	11.0	1.5	—3.7	4.1

[1] Not elsewhere classified.
[2] Consists of commercial paper, acceptances, finance company loans, and U.S. Government loans.

Source: Board of Governors of the Federal Reserve System.

tions relied more heavily on equity financing in 1975 as new issues reached an annual rate of $9.6 billion in the first 3 quarters, the highest level since 1972.

EMPLOYMENT, UNEMPLOYMENT, AND INCOME MAINTENANCE

EMPLOYMENT

Total civilian employment estimated from household survey data averaged 84.8 million in 1975, 1.1 million below the level of the previous year (Table 18). From a peak of 86.2 million in the third quarter of 1974, employment fell to a low of 84.3 million in the first quarter of 1975 and then rose to 85.2 million by the fourth quarter.

The number of nonfarm payroll jobs estimated from establishment survey data averaged 77.0 million in 1975. This represents a 1.4-million drop from the 1974 level, a slightly greater decline than the drop in employment on the household basis. Nearly all of the change in payroll employment from its peak in the third quarter of 1974 to its trough in the second quarter of 1975 was in the goods-producing sector, where the number of jobs declined by 2.5 million (Table 19). The reduction in employment was substantial in all of the major goods-producing industries, except mining, where employment continued to increase. There was some recovery in employment in the goods-producing sector in the second half of the year, although by year-end the level remained substantially below its peak in the third quarter of 1974. Employment in the service-producing industries remained stable at about 54 million during the period when goods-producing employment declined. It then increased during the second half of 1975.

The decline and subsequent rise in payroll employment in manufacturing from the third quarter of 1974 to the end of 1975 are reflected in data on labor turnover (Table 20). The seasonally adjusted layoff rate, layoffs per 100 workers, doubled in the fourth quarter of 1974 compared to the pre-

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TABLE 18.—*Labor market indicators, 1957–58 and 1974–75*

[Seasonally adjusted]

Indicator	1957	1958	1974	1975	1974 IV	1975 I	1975 II	1975 III	1975 IV
	Millions of persons								
Civilian labor force	66.9	67.6	91.0	92.6	91.7	91.8	92.5	93.1	93.2
Employment	64.1	63.0	85.9	84.8	85.5	84.3	84.4	85.1	85.2
Unemployment	2.9	4.6	5.1	7.8	6.1	7.5	8.1	8.0	7.9
	Percent [1]								
Civilian labor force participation rate [2]	59.6	59.5	61.2	61.2	61.3	61.1	61.3	61.4	61.2
UNEMPLOYMENT RATES									
All civilian workers	4.3	6.8	5.6	8.5	6.7	8.1	8.7	8.6	8.5
Unemployed 15 weeks or longer [3]	.8	2.1	1.0	2.7	1.3	2.0	2.7	3.1	3.1
Demographic groups									
Men 20 years and over	3.6	6.2	3.8	6.7	4.9	6.2	7.0	7.0	7.0
Married men, spouse present	2.8	5.1	2.7	5.1	3.5	4.7	5.5	5.4	5.1
Women 20 years and over	4.1	6.1	5.5	8.0	6.5	8.0	8.4	7.9	7.9
Both sexes 16–19 years	11.6	15.9	16.0	19.9	17.6	19.8	20.2	20.2	19.5
Occupation									
White-collar workers	1.9	3.1	3.3	4.7	3.7	4.5	5.0	4.7	4.8
Blue-collar workers	6.2	10.2	6.7	11.7	8.6	11.1	12.6	12.1	11.2
Industry									
Nonagricultural private wage and salary workers [4]	4.9	7.9	5.7	9.2	7.0	8.7	9.7	9.3	9.1
Construction	10.9	15.3	10.6	18.1	13.6	16.6	20.1	19.6	17.4
Manufacturing	5.1	9.3	5.7	10.9	7.8	10.5	11.9	11.1	10.2
Durable goods	4.9	10.6	5.4	11.3	7.6	10.4	12.4	11.8	10.6
Nondurable goods	5.3	7.7	6.2	10.4	8.1	10.7	11.1	10.1	9.6
Transportation and public utilities	3.3	6.1	3.2	5.6	3.8	5.5	6.1	5.7	5.2
Wholesale and retail trade	4.5	6.8	6.4	8.7	7.4	8.3	8.7	8.7	9.3
Finance and service industries	3.6	4.9	4.6	6.6	5.2	6.3	6.7	6.4	7.0
Government workers	1.9	2.5	3.0	4.0	3.3	3.6	4.2	4.1	4.2
Agricultural wage and salary workers	6.9	10.3	7.3	10.3	7.9	10.1	10.3	10.1	11.1

[1] Unemployment as percent of civilian labor force in group specified, except as noted.
[2] Civilian labor force as percent of civilian noninstitutional population.
[3] Unemployment as percent of total civilian labor force.
[4] Includes mining, not shown separately.

Source: Department of Labor, Bureau of Labor Statistics.

vious 3 quarters and was substantially in excess of the average layoff rate of 1.4 from 1963 to 1973. The layoff rate remained at unprecedented levels until production began to rise rapidly in the third quarter of 1975. By the last quarter, however, layoffs had declined to more normal levels.

Much of the unemployment associated with job layoffs in a recession is followed by reemployment in the same firm. While the total accession rate declined in manufacturing during the recession, the rehire rate increased sharply: from an average of 1.0 in 1974 to 1.8 in the first and second quarters of 1975. From 1963 to 1973 rehires were 27 percent of accessions, but in 1975 they were 44 percent.

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TABLE 19.—*Nonagricultural payroll employment, by industry, 1974–75*

[Millions of persons; seasonally adjusted]

Industry	1974		1975			
	III	IV	I	II	III	IV [1]
Total nonagricultural employment	78.7	78.3	76.9	76.4	77.0	77.6
Goods producing	24.8	24.1	22.8	22.3	22.4	22.7
Manufacturing	20.1	19.6	18.5	18.1	18.3	18.5
Durable goods	12.0	11.6	10.9	10.6	10.6	10.7
Nondurable goods	8.2	8.0	7.6	7.6	7.7	7.8
Contract construction	3.9	3.8	3.6	3.4	3.4	3.4
Mining	.7	.7	.7	.7	.7	.8
Service producing	54.0	54.2	54.1	54.1	54.6	55.0
Private [2]	39.8	39.8	39.5	39.4	39.8	40.0
Government	14.2	14.4	15.0	14.7	14.8	15.0
Federal	2.7	2.7	2.7	2.7	2.8	2.8
State and local	11.5	11.6	11.8	12.0	12.1	12.2

[1] Preliminary.

[2] Transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and services.

Note.—Detail may not add to totals because of rounding.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE 20.—*Labor turnover rates in manufacturing, 1963–75*

[Per 100 employees; seasonally adjusted]

Period	Accession rates		Separation rates		
	Total	New hires	Total	Quits	Layoffs
1963-73 average	4.4	3.2	4.4	2.2	1.4
1974 average	4.2	3.2	4.8	2.3	1.5
I	4.4	3.5	4.8	2.6	1.3
II	4.5	3.4	4.6	2.6	1.1
III	4.2	3.2	4.5	2.4	1.2
IV	3.3	2.2	5.5	1.8	2.4
1975 average [1]	3.6	2.0	4.3	1.3	2.2
I	3.3	1.5	5.3	1.2	2.9
II	3.6	1.8	4.2	1.3	2.4
III	4.0	2.4	3.7	1.4	1.6
IV [1]	3.6	2.3	3.9	1.6	1.7

[1] 11-month average for the year and 2-month average for fourth quarter.

Source: Department of Labor, Bureau of Labor Statistics.

UNEMPLOYMENT

The unemployment rate averaged 8.5 percent in 1975, sharply above the 5.6 percent rate in 1974 and the previous post-World War II high of 6.8 percent in 1958. The unemployment rate increased rapidly, from 5.6 percent in the third quarter of 1974 to 8.1 percent in the first quarter of 1975, and reached a peak of 8.7 percent in the second quarter. By the fourth quarter the rate had declined to 8.5 percent.

As in past recessions, the sharp rise in unemployment was widespread among major demographic groups (Table 18). The rate for married men, who typically have the lowest unemployment rate, increased from 2.7

percent in 1974 to 5.1 percent in 1975. Most other demographic groups experienced a similar or slightly larger percentage point increase in unemployment rates, but a substantially smaller relative increase.

The increase in the unemployment rate was largely a consequence of unemployment arising from the loss of a job, particularly among adult men and women (Table 21). The unemployment rate for job leavers (unemployed persons who quit their jobs, expressed as a percentage of the labor force) was essentially unchanged from 1974. Unemployed new entrants and reentrants increased as a percentage of the labor force in 1975. The increase in the unemployment rate among labor force entrants likely reflected a greater difficulty in finding a job, that is, a longer duration of unemployment rather than a greater influx of entrants, since the new-hire rate declined and the labor force participation rate did not change from 1974 to 1975.

There was a large increase in the number of persons unemployed 15 weeks or longer as a percentage of the labor force. The long-duration unemployment rate increased from 1.0 percent in 1974 to 2.7 percent in 1975, a much higher level than the previous postwar peak of 2.2 percent in 1961. This sharp increase compared to past recessions was due partly to the severity and duration of the most recent recession and partly to wider coverage and longer duration of unemployment compensation benefits than in the past.

Under legislation enacted in December 1974 and amended in March 1975, the maximum duration of unemployment compensation benefits for workers covered under the regular Federal and State programs was increased from 39 weeks to 65 weeks by adding a 26-week program called Federal supplemental benefits (FSB). This program expires at the end of March 1977. Another temporary program, special unemployment assistance (SUA), was also enacted in December 1974 to provide unemployment compensation coverage for an estimated 12 million wage and salary workers employed in industries not covered by the regular Federal and State programs. These

TABLE 21.—*Unemployment rates by reason for unemployment, age, and sex, 1973–75*

(Percent of civilian labor force)

Reason for unemployment	Men 20 years and over			Women 20 years and over			Both sexes 16 to 19 years		
	1973	1974	1975	1973	1974	1975	1973	1974	1975
Total unemployment rate	3.2	3.8	6.7	4.8	5.5	8.0	14.5	16.0	19.9
Job separation	2.4	3.0	5.6	2.5	3.1	5.1	4.1	5.0	6.8
Job losers	1.9	2.5	5.1	1.6	2.1	4.0	2.4	3.1	5.1
Job leavers	.5	.5	.6	.9	1.0	1.1	1.7	2.0	1.7
Previously out of labor force	.8	.8	1.1	2.3	2.4	2.9	10.3	10.9	13.1
Reentrants	.7	.7	1.0	2.0	2.1	2.6	4.3	4.9	6.0
New entrants	.1	.1	.1	.3	.3	.3	6.0	6.0	7.1

Note.—Detail may not add to totals because of rounding.

Source: Department of Labor, Bureau of Labor Statistics.

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are largely State and local government workers, farm workers, domestics, and employees of small nonprofit organizations. In June the duration of benefits under SUA was extended from 26 to 39 weeks.

There is now considerable research suggesting that a longer maximum duration of unemployment benefits tends to lengthen the duration of actual unemployment by discouraging some from withdrawing from the labor force and some from accepting reemployment in a less attractive job. While the exact magnitude of any increase in measured unemployment is unclear, these studies suggest that interpretation of unemployment statistics has become more complex.

THE MITIGATING EFFECTS OF THE INCOME TRANSFER SYSTEM

Unemployment compensation and other income maintenance programs have had an important dual role as automatic stabilizers and as a means of providing income to those who have lost earnings because of the recession. Data on the major programs are given in Table 22.

Largely because of these programs, per capita real disposable income did not decline in 1975 despite a decline in real output per capita. Because the number and size of countercyclical programs have increased over time, the extent to which consumer income was maintained was greater in this recession than in past ones. In this recession, per capita real disposable income fell from peak to trough by one-half of 1 percent, compared to a drop of 4 percent in per capita real disposable income net of transfers. By contrast, in the 1958 recession per capita real disposable income fell by 2 percent from peak to trough, while per capita real disposable income net of transfers declined 3 percent.

The extent to which transfer payments replace family earnings lost as a result of unemployment varies with eligibility for the different programs as well as with past earnings. It has been estimated for 1975 that a family of four, headed by an insured unemployed worker who had previously worked at the minimum wage, could be entitled to about 90 percent of previous after-tax earnings through unemployment compensation, public assistance, and food stamps. For a head of family who had earned high wages, however, benefits replace a smaller percentage of after-tax earnings. For example, it has been estimated that an unemployed worker who earned $400 a week before taxes could receive benefits that replace about one-third of his after-tax earnings.

The most important countercyclical program is unemployment compensation, which in the first 10 months of 1975 paid an estimated average weekly benefit of about $70 per worker. As of January 1976, the maximum weekly benefit ranged from $60 in Indiana and Mississippi to $139 in Washington, D.C. As unemployment increased during the recession, the ratio of beneficiaries to persons unemployed rose sharply, from 33 percent in the fourth quarter of 1973 to 69 percent in the second quarter of 1975. This pattern is partly due to changes in the composition of unemployment that usually

TABLE 22.—*Income transfer programs, 1973–75*

Program	Unit	1973 IV	1974 I	1974 II	1974 III	1974 IV	1975 I	1975 II	1975 III	1975 IV
Unemployment:										
Total number of persons	Millions	4.0	5.0	4.6	5.1	5.6	8.3	8.0	7.8	7.2
Unemployment Compensation:										
Beneficiaries: Total	Millions [1]	1.3	2.3	2.1	1.9	2.3	5.1	5.5	5.2	.....
Permanent programs	do	1.3	2.3	2.1	1.9	2.3	4.7	4.8	4.0	.....
FSB and SUA [2]	do	.....	.....	.....	.....	.....	.4	.7	1.2	.....
Benefit payments: Total [3]	Billions of dollars [4]	4.1	7.5	6.8	6.1	7.8	17.3	19.0	18.4	.....
Permanent programs	do	4.1	7.5	6.8	6.1	7.8	16.2	16.7	14.7	.....
FSB and SUA	do	.....	.....	.....	.....	.....	1.1	2.3	3.7	.....
Food Stamp Program:										
Beneficiaries	Millions [5]	12.5	13.1	13.6	14.2	15.9	18.7	19.2	18.6	18.7
Benefit payments	Billions of dollars [4]	2.3	3.2	3.2	3.5	4.0	4.9	5.0	5.2	5.2
Aid to Families with Dependent Children:										
Beneficiaries: Total	Millions [5]	10.8	10.9	10.9	10.8	10.9	11.3	11.3	11.3	.....
Unemployed fathers	do	.4	.4	.4	.4	.4	.5	.5	.5	.....
Benefit payments [3]	Billions of dollars [4]	7.4	7.6	7.6	8.0	8.4	8.9	8.9	9.3	.....
Old-age, Survivors, and Disability Insurance:										
Beneficiaries: Total [6]	Millions [5]	29.7	30.0	30.2	30.4	30.7	31.1	31.3	31.5	31.9
Retired workers	do	19.0	19.2	19.3	19.5	19.6	19.8	19.9	20.1	20.3
Disabled persons and beneficiaries	do	3.5	3.6	3.7	3.7	3.9	4.0	4.1	4.2	4.3
Benefit payments [7]	Billions of dollars [4]	50.8	53.0	56.6	58.7	56.8	60.6	63.0	67.1	68.5
Medicaid:										
Beneficiaries	Millions [5]	7.3	7.3	7.7	7.3	8.2	8.8	9.0	.....	.....
Benefit payments	Billions of dollars [4]	10.0	10.4	12.0	11.2	12.0	13.6	14.8	.....	.....
Medicare:										
Benefit payments	Billions of dollars [4]	10.1	11.2	12.2	12.5	13.7	14.9	15.4	15.5	17.2
Supplemental Security Income:										
Beneficiaries	Millions [5]	.....	3.3	3.5	3.8	4.0	4.1	4.2	4.3	.....
Benefit payments	Billions of dollars [4]	.....	4.9	5.1	5.5	5.6	5.7	5.8	6.1	.....

[1] Weekly average.
[2] Federal supplemental benefits (FSB) and special unemployment assistance (SUA).
[3] Includes State as well as Federal payments.
[4] Annual rate.
[5] Monthly average.
[6] Total also includes survivors and special beneficiaries 72 years and older.
[7] In current payment status.

Sources: Department of Agriculture, Department of Health, Education, and Welfare, and Department of Labor.

occur during a downturn and partly to legislated program extensions (FSB and SUA). Largely because of these new programs a larger proportion of the unemployed received benefits in 1975 than in any prior recession. The new programs have therefore more than offset the secular decline in the proportion of the unemployed receiving benefits (estimated to be 40 percent in 1956 and 34 percent in 1973), a decline which is attributable to the disproportionate increase in the share of unemployment caused by entry into the labor force. The proportion of the unemployed receiving benefits was estimated to be 59 percent in 1958 and 66 percent in the first 3 quarters of 1975.

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In the second quarter of 1975 there were about 19.2 million food stamp recipients, 54 percent more than in the fourth quarter of 1973. Approximately half the increase is attributable to the recession and half to the extension of the program to areas which had not previously offered food stamps (including Puerto Rico, which added 1.5 million new recipients) and to increases in participation among formerly eligible households. A survey taken by the Bureau of the Census in April 1975 showed that 18 percent of the families in which the head of the household was unemployed were receiving food stamps. Among families with an unemployed head of household and income under $5,000, 35 percent received stamps. The average monthly food stamp bonus (the Federal subsidy), which is not taxed as income, was $84 for families with an unemployed head of household. A further discussion of income maintenance programs is contained in Chapter 3.

ENERGY DEVELOPMENTS

The economy continued to adjust to higher world oil prices during 1975, though at a rate constrained by Government action. Price controls were maintained on some domestically produced crude oil and natural gas liquids, but a special fee (later removed) imposed on imported crude oil and petroleum products raised the prices received for uncontrolled oil. The net effect of these actions was to hold average oil prices in the United States below world levels, reduce the total revenues of domestic petroleum producers, slow the rate of increase in petroleum product prices to consumers, increase petroleum imports, and retard structural adjustment to higher world oil prices.

The relative price of energy continued to increase, but not at the rate which brought the adjustment problems of 1973 and 1974. The consumption of energy remained below its 1973 peak and well below its previous long-term growth path. Long-term adjustments in the capital stock toward lower use of petroleum were in evidence. Output of oil and natural gas continued to decline, bituminous coal production reached an all-time high, and nuclear power production again rose substantially. The Energy Policy and Conservation Act, discussed in Chapter 1, was enacted late in the year.

PRICES

The price of domestically produced petroleum products was affected by price ceilings on some of the crude oil entering refineries and by margin controls at all processing and marketing stages. Approximately 60 percent of the domestically produced crude entering refineries was controlled at a wellhead price of about $5.25 per barrel, bringing the blended price of domestic crude some $5 to $6 per barrel below the price of imported crude oil. Movements in the price of petroleum products were largely determined by changes in the composite cost of all crude, imported and domestic (Table 23). That cost rose about 19 percent in the 12 months ending October 1975, largely because of the special import fee.

TABLE 23.—*Refiner acquisition cost of crude petroleum, 1973–75*

Month	Cost (per barrel)		
	Composite	Imported	Domestic
1973: September		$4.54	
October		4.91	
November	$5.44	6.49	$5.00
December	6.54	8.22	5.95
1974: January	7.46	9.59	6.72
February	8.57	12.45	7.08
March	8.68	12.73	7.05
April	9.13	12.72	7.21
May	9.44	13.02	7.26
June	9.45	13.06	7.20
July	9.30	12.75	7.19
August	9.17	12.68	7.20
September	9.13	12.53	7.18
October	9.22	12.44	7.26
November	9.41	12.53	7.46
December	9.28	12.82	7.39
1975: January	9.48	12.77	7.78
February	10.09	13.05	8.29
March	9.91	13.28	8.38
April	9.83	13.26	8.23
May	9.79	13.27	8.33
June	10.33	14.15	8.33
July	10.57	14.03	8.37
August	10.81	14.25	8.48
September	10.79	14.04	8.49
October[1]	10.95	14.66	8.59

[1] Preliminary.

Source: Federal Energy Administration.

The average price of coal sold under long-term contract continued to increase during 1975, but the price of coal sold in spot markets (WPI for coal) declined substantially from the peaks reached during the coal strike of late 1974. Movements in the average price of all coal are reflected in the prices paid for coal by steam electric plants. Those prices reached a peak of 90 cents per million B.t.u. in November 1974. The average price was only 81 cents per million B.t.u. in the first 8 months of 1975, lower than the previous peak but still higher than the 71 cents per million B.t.u. average for 1974. Coal used for electricity generation still commands a price less than half that of its major substitute, residual fuel oil, when they are compared on an energy-equivalent price basis. Legal, technical, and utility capacity constraints on the use of coal have prevented further displacement of oil in the utility market.

Natural gas prices in 1975 continued to be dominated by regulatory institutions and by the long-term contracts characteristic of gas sales. Regulated gas prices rose pursuant to actions of the Federal Power Commission which increased the base ceiling rate for 1975 to 51 cents per thousand cubic feet of natural gas that had begun to flow in interstate commerce after December 31, 1972. The rate was 43 cents from June 1974 until early December of that year, when the rates were revised. Additionally, special provisions designed to induce movement of more gas into interstate regulated markets to meet emergency conditions brought some increase in average regulated

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prices. The prices remained well below the market clearing level, however, leading to continuation of the natural gas shortage in the interstate price-controlled market. The average price paid by interstate pipelines for gas produced in the United States rose from 27 cents per thousand cubic feet in September 1974 to 37 cents in September 1975. The average price of imported gas entering the regulated interstate pipeline system, about 5 percent of consumption, rose from 59 cents to $1.41 per thousand cubic feet over the same period. The unregulated natural gas market—primarily gas consumed within its State of origin—also experienced price increases. The major increases in the price of unregulated new gas contracts occurred in 1974, but the average price of gas sold in unregulated markets continued to rise because a larger proportion of it was sold at the higher prices, as old agreements expired or were renegotiated and as depletion occurred in reserves sold under lower-priced contracts.

Continued advances in the wholesale price of energy (Table 24) carried through to consumers, but the increases to consumers were smaller than in 1974. The price of gasoline to consumers rose 6 cents per gallon, or about 11 percent, in the 12 months ending in December 1975, while fuel oil went up 9 percent. The price of residential electrical service rose 9 percent and that of residential gas service 20 percent during the same period (Table 25).

TABLE 24.—*Changes in wholesale prices of all commodities and selected fuels and power, 1966–75*

[Percent change; seasonally unadjusted annual rates]

Period	All commodities	Selected fuels and power			
		Coal	Natural gas	Refined petroleum products	Electric power
Average annual change:					
1966 to 1969	2.2	5.6	1.6	0.7	0.7
1969 to 1972	3.8	19.8	5.8	3.0	6.2
1972 to 1973	13.1	12.5	9.6	21.8	7.0
Change from preceding quarter:					
1973: I	20.9	14.6	5.9	25.4	12.2
II	20.6	16.0	13.5	35.4	5.5
III	17.6	4.9	13.4	14.2	7.0
IV	3.5	36.6	21.6	80.6	15.9
1974: I	29.4	37.0	18.6	213.4	42.7
II	15.0	125.5	11.8	69.6	50.0
III	31.3	75.2	35.6	21.8	27.3
IV	14.8	67.3	48.4	−6.4	16.8
1975: I	.0	2.1	63.5	4.2	23.0
II	4.3	−19.4	39.3	17.9	2.8
III	8.8	−9.6	8.3	34.1	11.7
IV	4.4	−9.0			

Note.—The fuel and electric power price changes shown in this table have been calculated from the wholesale price index adjusted for the lags embodied in some fuel price series. Natural gas prices are lagged 2 months, and electric power and refined petroleum products 1 month, the latter lagging beginning in March 1973 for the major products of the series. For example, the first-quarter prices as used in the above table are the reported indexes for March through May for natural gas, and February through April for refined petroleum products and electric power.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE 25.—*Changes in consumer prices of all items and energy items, 1965–75*

[Percent change; seasonally unadjusted annual rates]

Period	All items	All items less energy	Energy				
			Total [1]	Electricity	Fuel oil [2]	Gasoline [3]	Gas
Average annual change:							
1966 to 1969	4.1	4.3	2.1	1.2	2.8	2.6	0.9
1969 to 1972	4.5	4.6	3.1	5.0	3.4	.9	6.0
1972 to 1973	6.2	6.1	8.0	5.0	15.4	9.8	4.6
Change from preceding quarter:							
1973: I	5.8	5.8	8.2	9.3	22.6	4.4	8.7
II	9.0	8.9	10.5	5.0	17.3	16.8	1.3
III	9.1	9.4	6.1	2.9	12.1	9.3	—.3
IV	9.9	8.5	27.8	8.6	93.3	31.1	15.0
1974: I	11.5	8.4	68.7	34.4	171.8	90.8	17.8
II	11.8	10.3	33.6	27.1	23.0	49.3	11.9
III	13.0	13.1	10.3	14.4	18.3	4.7	14.4
IV	12.0	12.9	—.2	12.5	8.7	—15.4	20.7
1975: I	7.5	7.5	9.6	19.6	.4	2.3	27.3
II	6.5	6.0	12.4	4.8	1.3	15.2	24.4
III	8.8	8.1	20.3	13.0	13.5	33.3	7.7
IV	6.5	6.6	5.2	3.8	19.6	—2.9	20.2

[1] Also includes coal and motor oil, not shown separately.
[2] Fuel oil No. 2.
[3] Regular and premium gasoline.

Source: Department of Labor, Bureau of Labor Statistics.

CONSUMPTION

The combination of increasing relative prices of energy (for the third consecutive year), a low level of economic activity, mild winter weather, and conservation measures left energy consumption in 1975 lower than in 1974. In 1974 energy consumption fell for the first time since 1958; there is no previous record of energy consumption's remaining below previous peak levels for 2 consecutive years.

The total effect of higher relative energy prices on energy consumption has not yet been felt because adjustments in energy use patterns and in capital stock are not yet complete. For example, 1974 model automobiles averaged an estimated rated 13.9 miles per gallon, while 1975 model automobiles are estimated to have averaged a rated 15.6 miles per gallon. The 1976 models will probably be even more fuel efficient, averaging a rated 17.6 miles per gallon according to estimates. Motor vehicle fuel consumption, however, responds to the average composition of the total vehicle fleet, which is still dominated by automobiles produced before energy prices rose.

The low level of economic activity in 1975 reinforced price effects in restraining energy use. Conversely, the expected recovery of 1976 is likely to lead to growth in energy consumption despite the continued restraining influence of past increases in its price.

The consumption of electric power rose only about 2 percent in 1975 and 0.4 percent in 1974, much below the 7 percent annual increase for the previous 10 years. This slowdown in demand growth has contributed to the decision of some firms to delay completion of additional generating capacity and

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has brought about a reassessment of future industry capacity requirements. How greatly electricity consumption will be affected by the higher relative price of electricity is not yet known. Also unknown is the extent to which the movement will continue toward peak-load pricing of electric service, and how much this movement will affect generating capacity requirements and the optimal mix of generating equipment. It is expected, however, that the results of the change will be toward reducing the quantity of fossil fuel consumed per unit of electricity generated and shifting the mix of energy sources toward coal and nuclear power.

Petroleum consumption did not increase despite some substitution of petroleum for natural gas. The increased price of petroleum, lagged effects of earlier price increases, the low level of economic activity, and a milder winter explain this consumption pattern (Table 26).

The only unlocalized fuel shortage during 1975 was of natural gas. The shortage was greater in 1975 than before, despite relatively warm weather and the recession. The quantity of gas that would have been consumed at then existing prices, if that gas had been available, is unknown because potential consumers have been denied access to supplies. However, the quantity which was not delivered by interstate pipelines despite contractual requirements to do so is reported to the Federal Power Commission (FPC). Curtailments of firm (guaranteed) supplies amounted to 17 percent of requirements by the reporting pipelines in the 12 months ending August 1975, compared to 10 percent during the 12 months ending August 1974. The FPC expects these curtailments to reach 22 percent in the 12 months ending August 1976. When curtailments of interruptible (nonguaranteed) supplies are considered, the proportion of requirements curtailed rose from 38 percent in the earlier period to 52 percent in the 12 months ending in

TABLE 26.—*Gross consumption of energy by major source, 1965–75*

Year	Total energy consumption		Percent of total energy consumption					
	Amount (quadrillion Btu's)	Percent change [1]	Total	Petroleum	Natural gas	Coal	Hydropower	Nuclear
1965	53.3	4.1	100.0	43.6	30.2	22.3	3.9	0.1
1966	56.4	5.8	100.0	43.2	30.9	22.1	3.7	.1
1967	58.3	3.3	100.0	43.5	31.3	21.0	4.0	.1
1968	61.8	6.0	100.0	43.8	31.7	20.5	3.8	.2
1969	65.0	5.2	100.0	43.8	32.3	19.6	4.1	.2
1970	67.1	3.3	100.0	44.0	32.8	18.9	4.0	.3
1971	68.7	2.3	100.0	44.5	33.2	17.6	4.1	.6
1972	71.9	4.7	100.0	45.8	32.0	17.3	4.1	.8
1973	74.8	3.9	100.0	46.6	30.4	17.8	4.0	1.2
1974 [2]	73.2	−2.1	100.0	45.7	30.1	18.1	4.5	1.6
1975 [3]	72.0	−1.6	100.0	46.0	28.5	18.5	4.5	2.5

[1] Based on unrounded data.
[2] Preliminary.
[3] Preliminary estimate by the Council of Economic Advisers.

Note.—Detail may not add to totals because of rounding.

Source: Department of the Interior, Bureau of Mines (except as noted).

August 1975. Lower gas use for space heating and greater than expected success in filling storage will probably reduce the actual firm curtailments from those projected for the 12 months ending August 1976.

Petroleum inventories were adequate to meet normal emergencies throughout 1975. Inventories of natural gas liquids, especially propane, were at record highs toward the end of 1975, and no shortages were anticipated. Coal stocks were satisfactory after the buildup period following the 1974 strike. Interstate pipelines reported that working natural gas storage balances at the start of the 1975–76 winter heating season were nearly 10 percent higher than at the outset of the previous heating season.

Unfortunately the adequate petroleum inventory position which existed in 1975 is fragile. Petroleum inventories may be drawn down rather quickly in response to a change in price expectations or to a change in conditions in the world oil market. There is little incentive for commercial firms to maintain inventories solely for use during an embargo because the emergency allocation and pricing authorities granted by the Energy Policy and Conservation Act of 1975 take away much of the potential profit from doing so.

PRODUCTION

Investment in the domestic energy industry continued to grow in response to the higher relative prices of energy over the past 3 years. The uncertainty about prospective rates of return that resulted from the lack of a settled and supportive Government policy undoubtedly kept investment flows below the limits set by available manpower and equipment. In contrast to late 1973 and 1974, there were no reports of widespread shortages of essential equipment and supplies, and the few spot shortages were minor.

Crude oil production in 1975 totaled just over 3 billion barrels, nearly 5 percent less than in 1974 and 13 percent less than the peak production of 1970. Marketed production of natural gas in 1975 is estimated to be 11 percent lower than its 1973 peak. Preliminary estimates show a 5 percent decline in the production of natural gas liquids in 1975 from the 1974 figure. The level of exploration and development drilling continued to rise, but wells drilled increased at only roughly half the 19 percent increase of 1974 over 1973, and wells drilled during 1975 amounted to only 60 percent of those drilled during 1956, the record drilling year. Output responds only slowly to changes in drilling rates, however, and the recent increase has not been large enough to prevent the continued decline in the production of crude oil and natural gas. Domestic petroleum output may stabilize or even rise in 1977 or 1978 when North Slope Alaskan reserves begin to produce, but no turnaround can be expected before then. North Slope Alaskan natural gas resources will not be produced before the 1980s, when access to pipelines may be available. Domestic natural gas production will probably decline at least until then. Oil and gas production rates at the end of this decade, however, will be strongly influenced by Government policy and by price behavior during 1976 and 1977.

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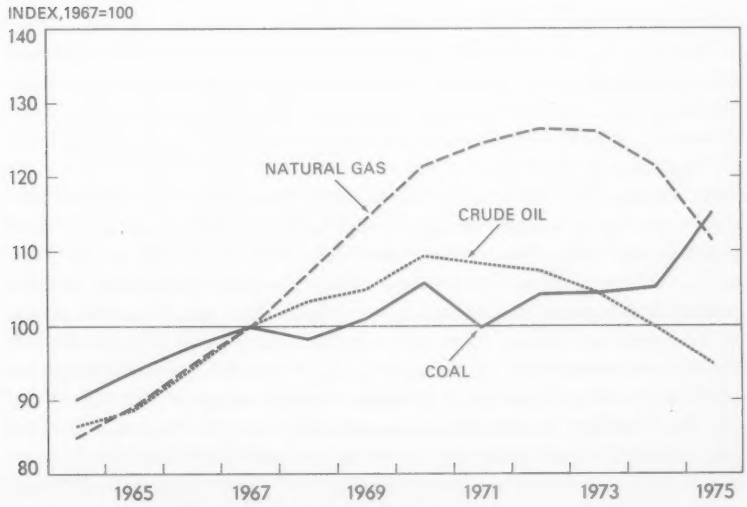
Consequently, pricing decisions under the recently enacted Energy Policy and Conservation Act will have an important effect on oil supplies, just as action to decontrol the price of natural gas will bring forth increasing quantities of this fuel—especially to the interstate market. The pattern of fuel production since 1963 is shown in Chart 2.

Bituminous and lignite coal production reached an all-time high of 640 million tons during 1975, surpassing the 631 million tons of 1947. Output of the bituminous coal industry rose 6 percent over 1974. The labor contract of late 1974 did not eliminate strikes—unauthorized walkouts idled some mines for several weeks. Output per hour worked continued to decline. Nevertheless record production was achieved, a consequence of high levels of output from established mines and continued production during much of the year from high-cost mines that were opened or reopened in response to the coal price increases of 1973 and 1974. Progress toward full exploitation of Western low-sulfur coal reserves fell below expectations, partly because of legal actions that slowed development and partly because of the moratorium on leasing of Federal coal lands.

Output of the other major sources of energy—nuclear power plants and hydroelectric generating facilities—was constrained by capacity limitations and operating problems. Hydropower and nuclear power represent about 25 percent of the electric power produced in the United States. The nuclear component of the total is growing rapidly, and its output approached 9 percent of U.S. production during 1975.

Chart 2

Domestic Fuel Production



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

IMPORTS AND EXPORTS

The United States, a net importer of petroleum and natural gas and an exporter of coal, has been a net importer of energy for two decades. Gross imports of petroleum and petroleum products rose from about 21 percent of consumption in 1965 to about 37 percent in both 1974 and 1975. In absolute terms gross imports in 1975 were approximately 6 million barrels per day. There has been a decline in refined petroleum products as a proportion of total petroleum imports. They averaged 56 percent of the total for the 5 years from 1968 to 1972 but then fell to 48 percent in 1973, 43 percent in 1974, and about 32 percent in 1975. This decline is due largely to price controls administered by the Federal Energy Administration, which provide a large measure of protection against most imports of refined petroleum products.

Coal exports amount to about 10 percent of total production. They rose 13 percent in 1974 and increased another 10 percent in 1975. Natural gas is imported mostly by pipeline, and Canada is the dominant source. Canadian gas imports have played an important role in the natural gas supply of some regions, but according to recent Canadian policy announcements, these imports (as well as imports of oil from that nation) will be restricted in the future.

AGRICULTURAL DEVELOPMENTS

The most notable development in agriculture in the first half of 1975 was the extent of reduced feeding of livestock in response to the poor feed grain harvest of 1974. Most noteworthy in the second half was the reentry of the Soviet Union as a large buyer of U.S. grain, and the resulting policy measures in the controversial areas of export controls and long-term grain sales agreements between governments.

ADJUSTMENTS TO REDUCED 1974 CROPS

The United States entered 1975 with the lowest supply of feed grains (corn, oats, barley, and grain sorghum) since 1956. Adverse weather caused 1974 production to be 19 percent below that of the previous year. The 1974 shortfall was especially serious because U.S. grain stocks were already much below customary levels.

An unexpectedly large response to high grain prices by livestock producers resulted in a larger decline in feed use in 1975 than had been anticipated in late 1974. Farmers economized on feed use by selling cows and calves, fattening fewer cattle and hogs on grain, adjusting livestock rations, and marketing cattle at lower weights. The resulting reduction in feed demand contributed to a decline in feed grain prices of approximately 20 percent between the fourth quarter of 1974 and the second quarter of 1975. At the same time, the liquidation of cattle inventories increased beef supplies. Declines in the first quarter of 1975 in both crop and livestock prices brought about a sharp decline in the net income of farm operators and reduced the rate of increase in retail food prices. These developments helped to bring about the ending, early in March, of a system under which exporters

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reported planned large sales of grains and soybeans to the Department of Agriculture for approval prior to finalizing such sales. Monitoring of export sales, however, was continued.

In the second half of 1975 price consequences of reduced feed supplies were passed through to consumers as supplies of most livestock and livestock products declined. Decreased slaughter of hogs led to record hog and pork prices. Consumption of pork per capita fell to the lowest level since the 1930s. Prices of wholesale dairy products increased sharply following a small decline in milk production. While cattle slaughter remained high because of heavy marketing of cows and other cattle not fattened on grain, steer and beef prices rose well above first half and year-earlier averages because of strong demand. These events, together with increased grain prices as the Soviet Union entered world grain markets, generated higher retail food prices and improved farm incomes. Net farm income (including inventory change) rose from a $20.7-billion annual rate in the first quarter to an average $27.8-billion annual rate for the remaining 3 quarters. The resulting $26.0-billion net income for all of 1975 is less than 1 percent below that of 1974, and it is the third highest on record.

THE SOVIET GRAIN SHORTFALL

When the rumored decrease in grain harvests in the U.S.S.R. was confirmed by large Soviet purchases in early July, world prices of wheat, feed grains, and soybeans increased rapidly. During the month beginning July 7, prices of U.S. new crop futures increased 28 percent for wheat, 26 percent for corn, and 25 percent for soybeans. Grain sales from the United States to the Soviet Union in July totaled about 10 million metric tons, four times the quantity sold in the preceding fiscal year. The combination of the surge in Soviet demand, reduced crop prospects in both Eastern and Western Europe, low U.S. carryover stocks, and the difficulty of knowing how the U.S. corn and soybean harvest would be affected by the drought in the western Corn Belt created an extremely uncertain price situation. Because of questions regarding the size of further Soviet purchases, with their potentially disruptive consequences given the uncertain supply situation, a temporary suspension of further U.S. grain sales to the U.S.S.R. was announced by the Secretary of Agriculture on August 11, 1975.

Under unrestricted market conditions the suspension of U.S. sales to the U.S.S.R. should have had only transient, if any, effects on grain prices. The Soviets would simply have shifted their demands to other countries, and U.S. sales to the U.S.S.R. would have been replaced by sales to other importing countries at the same world and U.S. prices as if the suspension had not been imposed. Supply conditions and restrictions in other important grain-exporting countries, however, limited the extent to which Soviet demands could be shifted. Even so, a hold was placed on sales to Poland during September to help prevent Soviet demands on world markets from being transmitted to the United States indirectly.

As it turned out, U.S. grain prices peaked during August soon after the suspension of sales to the Soviets. In October, when it had become clear that there would be bumper U.S. crops of feed grains as well as wheat, additional sales to the U.S.S.R. from 1975 grain crops of up to 7 million metric tons through September 30, 1976, were permitted without further consultation with the U.S. Government. Through the end of the year 2.7 million more tons of corn, but no additional wheat, were sold to the Soviet Union. Despite the fact that estimates of the Soviet grain harvest in 1975 were further reduced in December (to 137 million metric tons, 36 percent below target production), purchases of grain by the U.S.S.R. have been less than they were generally expected to be in October. The smaller than expected sales may be attributable to constraints on grain imports caused by Soviet port and handling capacity. In any event, the absence of strong demand, together with excellent world rice and good Southern Hemisphere grain prospects, led to a substantial decline in grain prices. From their August peaks to the end of 1975, the March 1976 futures prices of wheat and corn declined 30 percent and 22 percent respectively.

At the time that sales to the U.S.S.R. were reopened, a 5-year agreement for the purchase of U.S. corn and wheat was announced. The intention of this agreement is to eliminate the erratic fluctuations that have characterized past Soviet purchases from the United States (Table 27). The agreement specifies that the Soviet Union will purchase at least 6 million metric tons of corn and wheat in each of the next 5 years. The United States reserves the right, however, to limit Soviet purchases to 8 million tons in any year and to reduce purchases below 6 million tons if estimated U.S. production plus carryover stocks of wheat and feed grains fall below 225 million tons in any given year, a level which would be 41 million tons less than the large 1975 supply and 1 million tons below the sharply reduced 1974 level. The agreement is unlikely to generate significant net additions to the demand for U.S. grain because the Soviets can resell or store any of the required 6 million metric tons not needed for domestic use. Soviet storage, however, would help achieve the objective of smoothing out demands on world grain markets.

TABLE 27.—*U.S. grain exports to the U.S.S.R., fiscal years 1971–76*

Fiscal year	U.S. grain exports to U.S.S.R.			U.S. grain exports to U.S.S.R. as percent of total U.S. grain exports
	Total grains	Wheat and rye	Feed grains	
	Millions of metric tons			
1971	0	0	0	0
1972	2.9	0	2.9	8
1973	13.7	9.7	4.0	20
1974	7.9	3.3	4.6	11
1975	2.3	1.0	1.3	4
1976 [1]	13.1	4.4	8.7	

[1] Fiscal 1976 export commitments as of January 4, 1976.

Source: Department of Agriculture.

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CHAPTER 3

Income Security and Health Issues

THE FEDERAL GOVERNMENT, over the years, has undertaken and expanded a wide range of programs in pursuit of social objectives related to the health and welfare of society. Many have benefited from the programs. The elderly have gained a measure of income security. Low-income families have been able to supplement their purchasing power with food stamps and public assistance. The poor, aged, and disabled have improved their access to medical care. However, the growing scope and cost of these programs have begun to attract serious analysis of their impact on the allocation of resources, the distribution of income, and the general well-being of the public. This chapter brings together analyses measuring the effects and identifying the problems of a number of Federal income security and medical care programs.

The first section considers several welfare and social insurance programs which provide income security to the poor, the retired, and the unemployed. In the second section we examine several government programs related to medical care. Although these are also income security programs, the role of the government in this area is broader and more complex. Thus medical care is the subject of a separate section.

This chapter relies heavily on the research of economists and statisticians employed in government, universities, and private nonprofit research firms. Although the policy of not citing individual authors or research papers in the *Economic Report of the President* is being continued, documentation may be helpful. Therefore, on request, the Council of Economic Advisers will send interested readers a bibliography of the external sources used for the preparation of this chapter.

INCOME SECURITY PROGRAMS

Income security programs redistribute income in cash or in kind to individuals and families. Some may have the effect of increasing future earning potential, but that is not their primary purpose. The Federal programs having that purpose, such as those for schooling, job training, and rehabilitation, are not considered in this chapter.

Income security programs have been a major factor in the growth of the Federal budget. As classified in the national income accounts (NIA),

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Federal transfer payments to persons (excluding Federal pensions for military and civilian Government employees and for veterans and railroad workers) amounted to $120 billion in 1975, 34 percent of Federal expenditures. As a source of income to persons, Federal, State, and local government transfers (again excluding all the above items and their State counterparts) accounted for 13 percent of disposable personal income. The magnitude of income transfers in 1975 was, of course, unusually high because of the recession, during which earnings were depressed and the cyclically responsive transfers high. But even in 1973 net Federal transfers were 28 percent of Government expenditures and net Federal, State, and local transfers 10 percent of disposable personal income. This represents a substantial growth from the middle 1950s. In 1957 these percentages were 14 percent and 5 percent respectively.

Although all the income security programs involve the redistribution of income, they differ considerably in their specific goals, the people they serve, and their sources of funds (Table 28). Some programs are related to need and provide or supplement income so that particular groups may attain a higher level of purchasing power—supplemental security income (SSI) and aid to families with dependent children (AFDC). Others attempt to ensure an adequate or more nearly equal level of consumption of particular

TABLE 28.—*Aspects of selected Federal income security programs*

Program	Basis of eligibility	Source of funds	Form of aid	Fiscal 1975	
				Expenditures [1] (billions of dollars)	Beneficiaries (monthly average; millions)
OASDI	Age, disability, or death of parent or spouse Individual earnings	Federal payroll taxes on employers and employees	Cash	62.6	30.9
Supplemental security income (SSI)	Age or disability Income	Federal revenues	Cash	5.5	4.0
AFDC [2]	Certain families with children [2] Income	Federal-State-local revenues	Cash and services	8.6	11.1
Food stamp	Income	Federal revenues	Vouchers	4.4	17.1
Unemployment compensation	Unemployment	State and Federal payroll tax on employers	Cash	13.0	16.0
Medicare	Age or disability	Federal payroll tax on employers and employees	Subsidized health insurance	14.1	[3] 24.7
Medicaid	Persons eligible for AFDC, or SSI and medically indigent	Federal-State-local revenues	Subsidized health services	13.0	8.3

[1] Expenditures by Federal and State and local governments; excludes administrative expenses.
[2] Families with children deprived of support because of death, absence from home, or incapacity of parent, or in some States, in certain circumstances, unemployment of father (AFDC–UF).
[3] Estimated number of enrollees.

Source: Council of Economic Advisers (based on program information).

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goods or services that are considered essential. Thus some programs supplement income with in-kind transfers of food, medical care, or housing. Another category of programs is not directly based on need but replaces a proportion of wages lost as a result of retirement, disability, death, or unemployment. Included in this group are the unemployment insurance programs and the largest of all income transfer programs—old-age, survivors, and disability insurance (OASDI), commonly referred to as social security.

The sources of funds and administration of the programs differ. Social security is entirely federally funded and administered. The funding and regulations in the food stamp program are Federal, but the regulations are implemented by the States. AFDC is funded by the Federal Government and the States, but is largely State administered. There are, in addition, some programs not considered in this chapter that are State funded and administered, in particular general assistance and emergency assistance.

Forty years ago there were virtually no Federal income security programs. The programs that have since been introduced have expanded in number; coverage has been extended to additional groups in the population; and real benefit levels have increased. As a result of the program growth, a substantial proportion of the needy have been able to improve their level of consumption.

It has, however, been difficult to measure the precise contribution of the programs to reducing poverty. Many of the programs provide benefits in the form of medical care, food, or other in-kind services whose value to the recipient is not easy to determine. For this reason in-kind benefits are not counted as income for purposes of determining poverty status or for purposes of determining eligibility for other programs. However, in 1974, Federal, State, and local spending on medicaid, food stamps, and child nutrition programs came to $16.8 billion. These programs are not intended exclusively for those in poverty, although they are means tested and targeted to lower-income people. The combined outlays for these programs, however, were equivalent to about 118 percent of the gap between the aggregate incomes of those below the poverty threshold and what their incomes would be at the poverty threshold. This figure is raised to 130 percent if Federal subsidies for public housing and rentals are included. The Bureau of the Census has recently started collecting data on the Federal food stamp subsidy received by different families in the population. But additional work is needed before we can fully evaluate the contribution of the in-kind programs to the poor and their effects on the overall distribution of income.

It would appear that we have made substantial progress in providing resources to those in need. We are now in the process of evaluating our programs with respect to how they have affected individuals and how equitably they have distributed benefits. For some of the programs new Federal legislation is proposed, such as in food stamp and social security financing. Other long-run problems do not have easy solutions at this time, nor do we even have all of the evidence necessary to propose alternative solutions.

This section discusses four income security programs, two of which are means tested (AFDC and food stamps) and two of which are social insurance programs (unemployment compensation and social security). Other programs such as supplemental security income, housing subsidies, and veterans' benefits are not discussed.

AID TO FAMILIES WITH DEPENDENT CHILDREN

The AFDC program is administered by the States with Federal guidance, while funding is shared by the Federal Government and the States. In some States a part of the State portion is funded by local governments. Benefits are provided to families in which dependent children are deprived of the support of a parent, usually the father, through death, disability, or absence. In 26 States, benefits are also available under some circumstances if the father is present but unemployed.

Benefit Levels and Participation

The level of income now available to AFDC families, although low compared to that of the average family, is high relative to the potential earnings of AFDC participants. For example, in a sample of 100 representative counties in 1972, a hypothetical AFDC family of four (consisting of a woman and three children) with no earnings or other income was eligible for an average of $2,947 in AFDC benefits and $884 in food benefits. Since benefits are not taxed, this would be equivalent to $4,104 in taxable earnings if the families viewed the food benefits as equal to the same amount of cash. There were also medical care services available for virtually all AFDC participants. Although the average medicaid payment per AFDC family was $770, a low-income family might not value such care at that amount. Adding only $400 for medicaid results in a taxable equivalent income of about $4,550. This does not include any housing subsidies or child care services that might have been received, but does include greater benefits than would have been received if the family had earnings or other income. Moreover, as with all averages, these data mask considerable variation among States. Thus in 1972, 63 percent of the poor lived in counties where AFDC cash benefits and food benefits were $3,000–$5,000 a year (before taxes) for a family of four with no private income; but 32 percent were in counties providing $1,500–$3,000 in benefits, and 5 percent in counties providing over $5,000 in benefits.

Since 1972, AFDC and food program benefit levels have increased. Incorporating increases in benefits for these programs and retaining the same medicaid benefits results in an equivalent taxable income of $5,348 in 1974 and $5,815 in 1975 for the hypothetical female-headed family considered above. This is not high compared to the median income of all families, which was $12,836 in 1974. But on the whole these benefit levels compare favorably with what many women earn. In 1974, women with the same level of education as those on AFDC, but who worked full time, year round, earned $6,175.

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As indicated in Table 29, the number of families in the AFDC program has increased substantially over time, with the sharpest rise between 1965 and 1971 when the number of AFDC families almost tripled. Several complex factors seem to have contributed to the program's growth. First, information about the program became widespread, in part because of the efforts of various organizations concerned with poverty. In addition, participation in the program was facilitated by changes which raised the income eligibility standards and liberalized other provisions for eligibility (e.g., residence requirements). As a result, the proportion of families eligible for the program increased, as did the proportion of applicants accepted. The rising level of benefits also made participation more attractive. Between 1965 and 1971, AFDC payments per recipient, adjusted for changes in the consumer price index (CPI), increased by 22 percent, compared with the 10 percent increase in hourly earnings (deflated by the CPI) over the same period. The introduction of medicaid in 1966 and the growing availability of food stamps after 1965 also added to the benefits that could be obtained, particularly since AFDC families gain automatic eligibility for these additional benefits.

After 1971 the rate of increase in the number of AFDC families slowed as a result of several factors. No substantial gains could be achieved from the spread of information, which was already widely disseminated by the early 1970s. There was a slower rate of increase in the combination of real cash and in-kind benefits available to AFDC participants. In addition the liberalization of eligibility provisions that occurred in the 1960s appears to have ended. A few States, including California and Michigan, have instituted programs to locate absent parents who are liable for a child's support.

TABLE 29.—*AFDC families, recipients, and cash payments, selected years, 1950–75*

Year	AFDC recipients (thousands)	AFDC families[1]		AFDC cash payments		
		Number (thousands)	Percent of all female-headed families with children	Annual total (millions of current dollars)	Monthly average per recipient[2]	
					Current dollars	December 1974 dollars[3]
1950	2,233	651	51.3	547	21	44
1955	2,192	602	32.2	612	24	46
1960	3,073	803	38.3	994	28	49
1965	4,396	996	40.2	1,644	33	54
1970	9,659	2,394	81.8	4,857	50	65
1971	10,653	2,783	82.7	6,230	52	66
1972	11,065	3,005	83.5	7,020	54	66
1973	10,815	3,068	80.8	7,292	57	64
1974	11,006	3,219	78.9	7,991	66	66
1975	11,300	3,395	77.1	----------	71	68

[1] Excludes families with unemployed fathers. The number of AFDC families is for December of each year except 1975 which is for September. The percents are based on the number of female-headed families in March of each year except for 1955, which refers to April.

[2] Data are for December of each year except 1975 which are for September.

[3] Deflated by the consumer price index.

Note.—AFDC refers to the "aid to families with dependent children" program.

Sources: Department of Health, Education, and Welfare and Department of Commerce (Bureau of the Census).

(This type of program is to be made nationwide by the summer of 1976 under the Child Support Program enacted in 1975.)

Since the early 1960s there has been a rapid increase in families headed by a woman with children. It is possible that the rising benefit levels and more liberal standards of eligibility in the AFDC program made it easier for women to form their own households. Studies have found that women tend to form their own households when their earnings opportunities improve, while some respond in a similar fashion to increases in the AFDC stipend. However, AFDC provides an additional incentive for women to remain family heads, since eligibility for AFDC is conditional upon the absence of a husband. This may help explain why women on welfare have been observed to be about half as likely to remarry within a 4-year period as all women heading families with children.

Work Incentives

In response to the rapid growth in the AFDC program various measures were taken to encourage AFDC mothers to work and to become self-supporting. Starting in the early 1960s, training was made available and pecuniary incentives were granted through a modification in the reduction in benefits that occurred when an AFDC participant worked. Prior to this time, in many States, a dollar of benefits was lost for each dollar earned—a 100 percent marginal tax rate on benefits.

The Work Incentive Program (WIN), a result of the 1967 Social Security Amendments, further modified the implicit marginal tax rate—the amount by which benefits would be reduced when earnings increased—by providing that the first $30 of monthly income (net of work-related expenses) be disregarded, after which cash benefits were to be reduced by 67 cents for each additional dollar earned. Some States, however, allow a monthly income disregard greater than $30, and there is also considerable variation between States in allowable deductions for work-related expenses. For these reasons marginal tax rates are discontinuous as income rises and vary substantially between States. On average, however, the effective tax on AFDC cash benefits appears to be considerably below 67 percent, and even after taking account of additional in-kind benefits, the tax on total benefits has fallen below that of the pre-WIN era. By 1972 the study of 100 counties noted above indicated that an AFDC family consisting of a mother with three children could retain, in terms of a gross taxable equivalent, $3,236 in basic AFDC and food stamp benefits out of a potential basic benefit of $4,104, if the mother's earnings were as much as $3,200 for the year, an implicit average tax rate on benefits of 27 percent. If she earned another $800, she would lose $431 in benefits, a 54 percent marginal tax rate.

Additional measures to encourage work among AFDC recipients were introduced as a result of legislation implemented in June 1972. This program, known as WIN II, requires all employable AFDC recipients to register for training or placement services as a condition for receiving welfare payments. AFDC recipients aged 16 or more who are neither disabled nor students

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under 21 years, and women who do not have a child under 6 years are generally classified as employable. WIN II provides child care services for trainees as well as training, employment placement services, employer subsidies, and public employment. The WIN II program costs were about $314 million in fiscal 1975.

The effect on employment of the various work incentive programs appears to be very slight, although a full evaluation has not been made. Periodic surveys of mothers in the AFDC program have shown that the percentage who were employed fluctuated between 15 and 16 percent from 1961 to 1973 (the latest available data), although the proportion employed full time as opposed to part time has increased. These are low rates of employment compared to those for all women with children, of whom 41 percent were employed in 1973. The percentage of all AFDC mothers who were in the labor force, but unemployed, jumped from 5.7 percent in 1971 to 11.5 percent in 1973 even though 1973 was a year of lower unemployment for the population as a whole. This increase in reported unemployment, which resulted from a change in status from outside the labor force to unemployed, appears to be related to the provisions of WIN II requiring registration for job placement or training.

The weak response to the work incentives introduced over time is likely to have been the net result of different and offsetting factors. There is evidence that AFDC mothers respond to changes in benefit tax rates: holding benefit levels and labor market conditions constant, employment rates are higher in States where the effective benefit tax rate is lower. But the effect is not very strong. It is estimated that, holding other things constant, even with an effective tax rate on benefits of zero, the percentage of the current population of AFDC mothers who would work is unlikely to exceed 25 percent, compared to the 16 percent employed in 1973. However, benefit levels were not held constant during the late 1960s. While the effective tax rate was being reduced, rapidly rising cash and in-kind benefits were increasing the income level available to AFDC participants who did not work. It appears that the negative effect of these rising real benefits on employment almost completely offset the positive effect of lower marginal tax rates.

An increase in employment, it may be noted, would not necessarily lead to a reduction in AFDC participation, since liberalized marginal tax rates make it possible to remain on AFDC with fairly high earnings. The shift to more full-time employment among AFDC mothers does suggest that some AFDC participants, possibly those with higher earnings opportunities, did increase their work effort and remained in the program after an increase in work effort, in response to the lowered tax rates on earned income. On the other hand, a substantial proportion of AFDC mothers, either coming into the program or already there, may have decreased their work activities. Indeed, there is evidence that during the period of increasing work incentives, 1967 to 1970, the largest increases in female heads of families who were economically eligible for AFDC were among those with no earnings and those with

earnings above $2,000, with virtually no increase among families in the $0–$2,000 range.

The generally weak work attachment of AFDC mothers would appear to be related to factors which contribute to their being on AFDC in the first place. One factor is their low level of education—in 1973 only 33 percent were at least high school graduates, compared to 71 percent for women 15 to 44 years old with children. Studies have also found a higher incidence of physical and mental disabilities among women on AFDC compared to all women. Thus as indicated above, considering taxes, child care, and other work-related expenses, an unskilled woman with two or more children may well find that the cash and in-kind benefits available through AFDC provide her with nearly as large an income as work.

Several aspects of the AFDC program have led to concern, including the uneven treatment of single-parent and intact families. Some of the disparities between States in AFDC benefit levels and between single-parent and intact families are mitigated by the food stamp program, which is available in all areas and to all families. Because the same schedule determining benefits applies to all localities, low-income families entitled to smaller or no AFDC benefits as a consequence of their State of residence or their family composition are eligible for higher food stamp benefits. Because the basic benefit level provided by food stamps is low and the marginal tax rate on benefits is low, work disincentives from the food stamp program alone are probably not substantial.

AFDC–UF

The AFDC program for unemployed fathers (AFDC–UF) provides aid to intact families with a nondisabled father who is unemployed, as long as other conditions of AFDC eligibility are satisfied. In the 26 States which have elected to participate, the father must have been unemployed for at least 30 days, have had sufficient work experience to satisfy a minimum requirement, be seeking and available for work, and be unemployed or working less than 100 hours per month. In addition, until a June 1975 Supreme Court decision, a family was categorically ineligible for AFDC–UF benefits if the father was eligible for benefits under a Federal or State unemployment compensation program. Most of the approximately 100,000 participating fathers in 1974 and 1975 had exhausted their unemployment compensation benefit entitlement or were in an uncovered sector.

In July 1975, 113,000 families received AFDC–UF benefits and an average monthly cash benefit per family of $311, in addition to categorical eligibility for food stamps and medicaid benefits for dependent family members. There is no limit on the duration of AFDC–UF benefits. The average AFDC–UF cash benefits are about the same as the average monthly benefit to a worker under unemployment compensation; but for low-wage fathers, particularly in families with several children and no other income,

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AFDC–UF benefits could be substantially greater than unemployment compensation.

The June 1975 decision can be expected to increase AFDC–UF participation. This may create problems because of the potential work disincentives for low-income, intact families. In addition, some of the cost of unemployment will be shifted from the employer-financed trust funds to general Federal and State revenues. However, the opportunity for this aid does provide more ample income maintenance for more low-income, intact families.

FOOD PROGRAMS

Concern about hunger or inadequate nutrition has led to the development of an array of programs which supplement income by providing either meals or vouchers to buy food. Benefits from these programs are not counted as income either by the Bureau of the Census in its income and poverty statistics, or in determining eligibility for other income maintenance programs. Spending on the major food programs has increased from $365 million in 1960 to about $6.4 billion in 1975, with the most rapid increases occurring since 1970 (Table 30).

Food Stamps

The food stamp program is the largest of these programs. It was set up in 1964 as an alternative to the direct distribution of surplus food commodities. The stated intention was to provide for "improved levels of nutrition among economically needy households." Because of the difficulties in estimating nutritional levels, the effect of the program on the health of the poor has not been established. Food stamps have, however, become an important part of our income maintenance system.

In fiscal 1965 the food stamp and food distribution programs together served a monthly average of 6.2 million people at a total Federal cost of $262 million, or a cost per participant of $41. By calendar 1975, the food stamp program alone served a monthly average of close to 19 million Americans at a total Federal expenditure of about $5 billion and a subsidy per participant of $270. A major factor in the growth of program participation has been its expansion by 1975 to all counties and U.S. territories.

Eligibility for food stamps is based on the "net income" a household expects to receive during the coming month (prospective accounting). A family's net income is its gross income less Federal, State, and local income taxes, social security taxes, retirement contributions, and union dues. Some other allowable deductions are medical expenditures exceeding $10 a month; child care when needed for work; expenses related to fire, theft, or other disasters; educational expenses for tuition and fees; alimony, rent, and utilities; and mortgage payments above 30 percent of income after all other deductions have been subtracted. A household is excluded if it has liquid assets or certain property valued at $1,500 or more. The asset limitation is $3,000 for house-

TABLE 30.—*Federal food programs, selected fiscal years, 1950–75*

Program	Unit	1950	1960	1965	1970	1974	1975[1]
Food distribution program for needy families:							
Number of participants	Millions[2]	0.2	4.3	5.8	4.1	2.4	0.3
Federal cost:							
Total	Millions of dollars	6	59	227	289	189	36
Per participant	Dollars	24	14	39	70	80	120
Food stamp program:							
Number of participants	Millions[2]	.....	.....	.4	4.3	12.9	17.1
Federal cost:							
Total	Millions of dollars	.....	.....	35	550	2,728	4,396
Per participant	Dollars	.....	.....	76	127	212	257
National school lunch program:							
Number of children participating	Millions[3]	8.6	14.1	18.7	23.1	25.0	25.4
Percent of enrolled children:							
Total number of participants	Percent	34.1	35.0	39.2	44.4	48.7	49.1
Participants receiving free lunches or lunches at reduced prices	Percent	3.4	3.5	3.9	9.2	18.1	19.5
Federal cost	Millions of dollars	120	226	403	566	1,377	1,702
Special milk program:							
Federal cost	Millions of dollars	.....	80.3	97.2	101.5	61.4	124.1
School breakfast program:							
Number of children participating	Thousands[3]	.....	.....	.....	536	1,550	2,000
Federal cost	Millions of dollars	.....	.....	.....	10.9	70.1	85.0
Special preschool food service program:							
Number of children participating	Thousands[3]	.....	.....	.....	93.4	346.4	440.0
Federal cost	Millions of dollars	.....	.....	.....	6.3	30.0	47.2
Special summer food service program:							
Number of children participating	Thousands[3]	.....	.....	.....	461.9	1,415.2	1,810.0
Federal cost	Millions of dollars	.....	.....	.....	6.5	36.1	53.6

[1] Preliminary estimate.
[2] Monthly average.
[3] Daily average.

Note.—Federal cost excludes administrative expenses.

Source: Department of Agriculture.

holds with a member aged 60 years or more. The value of a home, a car, and any other personal effects is not considered in determining eligibility.

The stamps are vouchers which can be used to purchase most food items sold in grocery stores. The stamp allotment for a family is based on the current market cost of the foods that make up the Thrifty Food Plan developed by the Department of Agriculture to meet their nutritional standards. The cost of this food plan, and therefore the food stamp allotment, is equivalent to about 80 percent of expenditures made by the average U.S. consumer for food at home. The allotment is changed twice a year to reflect changes in the price of foods that make up the food plan. The permissible amount of stamps a household can purchase varies with the number of household members. In January 1976, the allotment for a four-person household was $166 a month in food stamps.

The amount a household pays for the stamps depends on its net monthly income. The difference between the food stamp allotment and the purchase price is the "bonus" or Federal subsidy. Families with less than $30 net in-

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come pay nothing; that is, their bonus is equivalent to the entire food stamp allotment. Households of four receiving AFDC or SSI are automatically entitled to a monthly subsidy of at least $24 regardless of their income.

On the whole, the food stamp program reaches relatively low-income households (Table 31). It is estimated that the benefits have been sufficient to raise the mean income of the recipient families by about 10 percent. The food stamp program, however, has been criticized because it provides income supplements for some who do not have low income, and because it distributes resources in a way that many consider inequitable. The deductions allow some families to qualify who have large discretionary expenditures on items such as housing, education, and child care, while other families with the same income but with different consumption patterns for deductible items do not qualify.

Another important inequity follows from determining eligibility on the basis of income in a single month. As a result, some households qualify during a portion of the year, although their income over the year as a whole is sufficiently high to exclude them by any comparable annual standard (Table 31). For example, while only 1 percent of households in the program had a monthly income of $1,000 in July 1975, 3 percent had annual incomes of $12,000 over the year ending in July 1975.

Because of the 1-month accounting period, the food stamp program provides benefits to both the long-term poor and those whose incomes are temporarily low because of unemployment, sickness, a strike, or other reasons. The food stamp program provides countercyclical income maintenance benefits for the unemployed and participation rises with seasonal unemployment.

TABLE 31.—*Distribution of food stamp households by annual and monthly income, July 1974 and March and July 1975*

Income class	Percent of total food stamp households		
	July 1974	March 1975	July 1975
Annual income [1]:			
Total food stamp households	100.0	100.0	100.0
Less than $6,000	88.4	78.1	82.8
$6,000–$7,499	5.2	7.3	6.8
$7,500–$9,999	3.2	6.9	5.0
$10,000–$11,999	1.2	3.2	2.5
$12,000 and over	2.0	4.6	2.9
Monthly income:			
Total food stamp households	100.0	----------	100.0
Less than $500	90.2	----------	87.7
$500–$599	4.7	----------	6.1
$600–$749	2.9	----------	3.2
$750–$999	1.2	----------	1.9
$1,000 and over	1.1	----------	1.1

[1] Annual income is for 12 months ending in July 1974, March 1975, and July 1975. Households include single-person households. Annual income shown here may be understated compared to data derived from more detailed surveys of income.

Note.—Monthly income data were not collected for March 1975.
Detail may not add to totals because of rounding.

Sources: Department of Commerce (Bureau of the Census) and Department of Health, Education, and Welfare.

Although the family income of many of the unemployed may be low enough to qualify for food stamps during a month of unemployment, their income over a longer accounting period, covering months with employment, may be substantially above the food stamp eligibility level. The annual income of food stamp recipients in March 1975 was higher than in July 1974 or July 1975, partly because March was a month of high cyclical as well as seasonal unemployment.

In 1975, the President proposed the National Food Stamp Reform Act which directs the program benefits toward those with low income over a period of time and curtails the provision of benefits to higher-income families. The proposal would change the method of determining eligibility by averaging actual income received over the past 90 days, rather than using the applicant's estimate of next month's income. It is estimated that the change from prospective to retrospective monthly accounting would save about 5 percent of the program's cost because of a better reporting of income. Lengthening the accounting period would save an estimated additional 4 percent of program costs, since families with high income over 90 days, but temporarily low monthly income, will not participate. Families with a 90-day income just above eligibility levels would quickly qualify in the event that their income deteriorated. Families whose usual incomes are sufficiently high that they would not qualify if their income declined for only 1 month are more likely to have assets that they can draw upon.

Another proposed change is to replace the present itemized deduction for determining net income with a single standard deduction of $100 a month, except for households with a member 60 years old or more, when the deduction would be $125 a month. As a result of the standard deduction, some families will be ineligible who now qualify because of large expenditures on certain deductible items. However, the deduction of $100 is higher than the present total deduction for the average family. This will benefit families with low incomes who formerly did not have many itemized expenditures.

Another feature of the proposal is to cut off all benefits for families whose income over the past 90 days, after the standard deduction, exceeds the equivalent of the poverty line. Thus, under this proposal, a family of four with a 90-day income in excess of $1,675 would be ineligible in 1976.

The proposed National Food Stamp Reform Act is expected to result in reductions of Federal outlays of $1.2 billion (21 percent) compared to present levels. Approximately 26 percent of the current monthly case load would become ineligible, and another 28 percent would receive reduced subsidies, chiefly those at higher income levels and those who tend to receive small subsidies. However, benefits will increase for approximately 24 percent of present participants, mainly at the lowest income levels.

There had been substantial concern that youths from high-income families were qualifying for food stamps while they were away from home at a college or university. A new regulation requires that when a student's parents claim him as a deduction on their Federal income tax, the family, not the student

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himself, is the relevant filing unit for food stamp purposes. In addition, the proposed changes from itemized deductions, including school fees and tuition, to a standard deduction will provide a more equitable treatment of families.

Food Programs for Schoolchildren

The Federal Government provided about $2 billion in fiscal 1975 in subsidies for meals provided to children in nursery, primary, and secondary schools, and in some summer programs. These programs are implicitly based on the two presumptions that an adequate diet for children is important for their ability to learn and that many children are not able to obtain a nutritionally adequate diet at home.

In 1947 the Government contributed 8.2 cents in cash and 1.1 cent in commodities for each lunch served to any child, regardless of income. About 25 percent of all schoolchildren participated in the program, of whom about 12 percent received a free lunch subsidized by State and local sources. Until the middle 1960s, program growth was due mainly to increases in school enrollments and less to increases in participation rates. The Federal share in funding dropped during the period, while State, local, and student shares increased.

Starting in 1970 the Federal Government began additional subsidies to the lunch program targeted to children from lower-income families. As a result, the share of Federal funds increased sharply, and the percentage of students in the school lunch program increased. In fiscal 1976 the Federal Government contributes 12.5 cents in a cash grant and 11 cents in a commodity grant to all school lunches, regardless of the family income of the children. In addition, the Federal Government contributes almost 57 cents per lunch in cash for children who receive a free lunch and 47 cents for children receiving lunch at a reduced price.

The lunch program provides a free lunch to children from families whose income is at or below 125 percent of the poverty threshold. In 1974, about 17 percent of all schoolchildren received a free lunch.

Several new and potentially expensive programs have been introduced recently to expand the child nutrition programs. The Government school breakfast program is one example. It now provides an average subsidy of 31.4 cents per breakfast. If all eligible students participated, the annual cost would be $0.9 billion. Another is the Federal subsidy of 75.5 cents per lunch and supper provided to summer camps and day care institutions on the condition that the children come from an area defined as one where at least 33⅓ percent of the children are eligible for free or reduced-price school meals. Since 38 percent is the national average, a substantial proportion of institutions will qualify for the subsidy, regardless of the family income of the participating children.

Legislation enacted in 1975 would further increase Federal expenditures on the programs. Eligibility for the reduced-price lunch was extended to 195 percent of the poverty line (the equivalent of an income of $9,800

for a nonfarm family of four, using the 1974 poverty threshold), and it was made mandatory that all schools receiving Federal lunch money provide such a program. As a result, about 38 percent of children would become eligible for a free or reduced-price lunch. Participation is also likely to increase because of the mandatory provisions of the program. As a result of the new legislation, Federal expenditures are expected to increase by $0.5 billion more in fiscal 1977 than the $2.3 billion that was anticipated under the old legislation.

It is estimated that 31 percent of the Federal expenditures of $1.8 billion on the programs went to children from families above 125 percent of the poverty line in 1975. In addition, there is duplication of Federal benefits, with different programs subsidizing the same meal.

To provide for a more rational distribution of child nutrition funds, the Administration is proposing a single block grant to the States to replace the programs discussed above, as well as several other categorical food programs for children and mothers. The proposed legislation would eliminate food subsidies to children above the poverty line, allow the States greater flexibility in determining the needs of the children from low-income families, and simplify program administration.

UNEMPLOYMENT COMPENSATION

The recession of 1974–75 has again demonstrated that the unemployment compensation system is one of our most effective countercyclical tools. As workers are placed on a layoff, benefits begin immediately, thereby providing financial assistance to those families most severely hurt by the fall in employment. This provision of purchasing power to the unemployed is of substantial importance in promoting economic recovery and in more equitably distributing the economic hardships of a recession. As the unemployment rate increased from the second quarter of 1973 to the second quarter of 1975, for example, the average weekly number of beneficiaries under all unemployment compensation programs increased from 1.5 million to 5.4 million. As the recovery continues, the size of the unemployment compensation programs will decrease when persons receiving benefits gain employment.

This section reviews the main features of the unemployment compensation system and considers some of its implications for income maintenance and efficiency in the long run.

Program Characteristics

The nationwide unemployment compensation system had its origins in the 1935 Social Security Act. It is a joint program administered by the States within Federal guidelines. In addition, direct Federal unemployment programs cover four special groups: railroad workers, recently discharged members of the Armed Forces, Federal civilian employees, and those unemployed as a consequence of imports. A temporary federally funded program, special unemployment assistance (SUA), was introduced in January 1975

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to provide benefits for wage and salary workers not covered by a regular Federal or State program. In addition, temporary Federal programs to extend the duration of benefits have been in effect in all recessions since 1958.

The legal rules and administrative practices of the unemployment compensation system vary substantially from State to State. There are, however, certain basic features. Generally, to be eligible for benefits a person must have had sufficient work experience and earnings in covered employment in a recent 1-year period prior to the onset of unemployment. As a result of the work experience requirement, new entrants and most reentrants to the labor force do not qualify for benefits. Nearly all workers on a job layoff but with work experience in a covered industry can qualify, so that total expenditures for unemployment benefits are highly sensitive to cyclical movements in the economy.

Eligibility also depends on the cause of unemployment. In all States persons unemployed because of a job layoff are eligible for benefits. Persons who voluntarily quit without "good cause" are subject to disqualification; however, the definition of good cause varies substantially among the States. For example, mandatory retirement, loss of transportation to work, or a change in location because a spouse changes jobs constitute good cause in some States, but not in others. Unemployment without good cause can still lead to compensation under the program in 31 States, but only after a disqualification period, and the length of the period varies widely. Strikers can receive unemployment benefits in New York and Rhode Island after a disqualification period. Thirteen States reduce or deny benefits to persons receiving social security retirement benefits.

As a further condition, to receive benefits the unemployed claimant must be able to work, be available for and actively seeking employment, and cannot reject a "suitable" job offer. The administration of the work test varies among the States. It also varies over the business cycle. The work test is harder to administer during a recession than when jobs are plentiful. Some States require weekly or biweekly visits to the local unemployment office to file a claim and collect benefits, and the claimant must present specific proof of job search. Other States require periodic interviews, ask for little or no documented proof of job search, and permit the mailing of benefit checks to the claimant's home.

In 43 States the duration of benefit entitlement under the regular program increases with the amount of work experience during the base period, generally up to a 26-week ceiling. Weekly benefits for these States are about one-half of the worker's pretax wage, up to a ceiling that varies among the States from $60 in Indiana to $139 per week in the District of Columbia as of January 1976. The other seven States have a fixed-duration program in which all eligible persons receive benefits for the same number of weeks, but the weekly benefit is itself determined by work experience and weekly earnings prior to unemployment. States where the maximum is $90 a week or more contain 70 percent of covered workers. Twelve States supplement

the benefit check with a small dependency allowance for a spouse or dependent children who are not working.

Benefits have increased at about the same rate as wages in covered employment. There has, however, been an increase over time in the extent to which income maintenance benefits from other programs, particularly food stamps, are available to supplement unemployment compensation. Some unemployed fathers in low-income families will receive larger benefits because of the June 1975 court decision which allows them to accept AFDC–UF benefits instead of unemployment compensation.

From the worker's point of view, the fact that unemployment insurance benefits are not subject to payroll or income taxes (as they are in some other industrial countries such as Canada and the United Kingdom) increases their value. For household heads earning $150 per week, unemployment benefits replace about 60 percent of wages (net of taxes) and fringe benefits lost because of unemployment, while for those earning $400 per week the replacement rate is about one-third. The replacement rate can be very high (close to 100 percent) for low-wage workers in high-income families: for example, when the wife has low earnings and the husband has high income and they are in a high marginal tax bracket.

Benefits under the State unemployment insurance system are funded by taxes levied on employers in proportion to workers' base wages, equal in most States to the first $4,200. In principle, the tax rate varies according to employers' experience ratings, which are based on the extent to which their workers draw benefits from the system. However, because the variation in tax rates is usually within narrow margins, many firms with very high or very low unemployment experience relative to their industry often realize no change in their tax rates as a result of changes in their unemployment experience. Because the unemployment insurance funds in many States have been seriously depleted by the recent recession, the Administration has proposed increases in the taxable earnings base and in the Federal component of the tax rate.

Potential coverage of workers has been extended under the regular programs, from 59 percent of all workers in 1950 to 81 percent in 1974, because industrial coverage was made broader in 1954 and 1972 and because of a decline in the proportion of the labor force in the major remaining sectors not covered: agriculture, self-employment, and unpaid employment in a family business. As a result of special unemployment assistance, coverage was extended to the approximately 12 million wage and salary workers not covered by a regular program, primarily State and local government, farm, and domestic workers. Only the 8 million self-employed and unpaid workers in family businesses are not now covered by a regular or temporary program. The Administration has proposed legislation that would bring 6 million additional wage and salary workers, now covered by SUA, under the regular State programs so that their employers will contribute to the unemployment insurance trust fund.

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In spite of the increased coverage there has been a decline over the past 20 years in the proportion of the unemployed receiving benefits under the regular State programs. This is probably due to the change in the composition of the labor force. Because of the eligibility requirements, many unemployed youths and women with weak labor market attachment do not have sufficient work experience to qualify for benefits. As these groups have increased in relative importance both in the labor force and among the unemployed, the proportion of the unemployed receiving benefits declined. Among the group with a more stable labor force attachment, men aged 25 and over, there has been a secular increase in the proportion of the unemployed claiming benefits. For example, this proportion declined from 54 percent in 1960 to 41 percent in 1973 for all unemployed persons, but for men aged 25 and over it increased from 63 percent to 72 percent.

Temporary programs to extend the duration of benefit entitlements in a recession have become more common. Prior to 1970, benefits were temporarily extended to 39 weeks in 1958 and 1961–62. A 1970 law permanently authorized an extension of benefits to 39 weeks in times of high State or national unemployment. In 1975, there was an unprecedented temporary extension of benefits in all States to a maximum duration of 65 weeks through the 26 weeks of federally funded benefits provided under Federal supplemental benefits (FSB).

Under current legislation, FSB and SUA benefits are scheduled to terminate in March 1977, or earlier if there is a sufficiently low State or nationwide unemployment rate. The purpose of this phasing out is that unemployment compensation should not discourage workers from actively seeking employment when job possibilities improve.

Some Effects of the Program

In recent years there has been considerable research on how the availability, potential duration, and size of unemployment benefits affect the measured unemployment rate. Although their estimates must be interpreted with caution, the studies are suggestive of the general impact of the program.

Several studies have used individual data to examine the effect on unemployment of the potential duration and level of benefits. The quantitative findings vary from study to study, in part because they differ in methodology, data, and time period. However, they all tend to indicate that the duration of actual unemployment is greater the higher the benefit level and the longer the potential duration of benefits. There is evidence, moreover, that the duration of benefit entitlement may be even more important than the level of benefits in explaining unemployment duration.

One study examined the effect of covering agricultural wage and salary workers (who had previously been covered in only two States) with the introduction of special unemployment assistance in January 1975. The study developed equations to predict agricultural unemployment rates and employment on the basis of cyclical and other factors. Seasonally

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adjusted data were used to compare the observed and predicted values before and after the introduction of SUA. After SUA, seasonally adjusted employment was lower during the off-season, presumably because of the availability of unemployment compensation. The seasonally adjusted unemployment rate increased by about 20 percent (2 percentage points) in the off-season, but did not change in the on-season. Apparently because of the SUA benefits, in 1975 the annual unemployment rate of agricultural wage and salary workers seems to have been about 10 percent greater than that predicted on the basis of cyclical and other factors. However, one year's experience may not be sufficient to estimate the long-term magnitude of these effects.

The extent to which States engage in eligibility screening can affect the amount of observed unemployment. The proportion of claims for unemployment compensation under the State programs that are rejected on the basis of individual State administrative decisions regarding eligibility can be called a "denial rate." .Using State data for 1971, one recent study found that this denial rate had a significant impact on the State unemployment rate. It was estimated, for example, that at the margin a 10 percent increase in the national denial rate from the observed 25 per 1,000 claimant contacts would lower the national unemployment rate by 0.14 percentage point. It appears that a higher denial rate may not only decrease the period of unemployment among those denied benefits but may have an even larger impact by discouraging unemployment among others. Eligibility screening is subject to administrative control. Greater administrative expenditures and more time devoted to eligibility screening appear to result in a higher denial rate, particularly for reasons related to unavailability for work and the rejection of suitable employment. These effects are likely to be weaker during a period of high unemployment when job vacancies are more scarce. And, beyond some point, additional expenditures would have much smaller effects.

Certain categories of workers are more strongly affected by benefits than others. Those who have home responsibilities or are approaching retirement are more likely to remain unemployed until they exhaust their benefit entitlements. A study of the unemployment insurance system in Nevada in 1971–72, for example, found that a substantially larger proportion of exhaustees were either aged 55 or over or women, compared to those who stopped collecting benefits prior to exhausting their entitlement. Although greater difficulty in finding jobs may explain part of the differential, it cannot explain all of it. In this study, for example, 2 months after benefit exhaustion, 30 percent were employed, and another 30 percent had withdrawn from the labor force, primarily because of ill health, retirement, or family responsibilities. Similar findings emerge from other studies.

For most persons, however, the income support provided by the unemployment compensation system is a means of financing the search for a job. For these persons, if a longer period of unemployment facilitates job

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search and leads to a job with higher wages and better fringe benefits, more pleasant working conditions, or a longer expected job tenure, it may represent a worthwhile investment. Thus far, however, studies of the effect of the additional job search stimulated by unemployment compensation have been inconclusive.

The unemployment insurance system also affects employers' behavior through the operation of the payroll tax. The tax levied on a particular employer does not depend strongly on the actual unemployment experience of his workers. Because of the weak experience rating the cost of a layoff is reduced. Partly because of the unemployment compensation benefits, workers would be less likely to seek other jobs during these periods of unemployment, particularly if unemployment is widespread. Thus the payroll tax subsidizes seasonal, cyclical, and casual unemployment relative to stable employment. This greater frequency of unemployment thereby leads to an increase in the unemployment rate. Data from a variety of sources indicate that much of the unemployment arising from job layoffs is temporary and does not involve a change in employer. For example, since 1960, manufacturing establishments had an average of 1.5 layoffs per 100 employees per month. During this period their rehire rate was 1.3 workers per 100 employees per month. Thus, on average, 85 percent of layoffs resulted in reemployment by the same establishment.

Results of various studies of the effects of unemployment compensation indicate that it is our most efficient tool for quickly providing financial help to those who lose a job. However, and to a large extent unavoidably, the existence of this automatic aid makes it easier for employers to lay off workers and for workers to prolong their period of unemployment. One implication is that the unemployment rate is affected by the amount and duration of unemployment compensation benefits. As a result of these and other issues that have been raised about the unemployment insurance system, the President has proposed the establishment of a National Commission on Unemployment Compensation to study alternatives and make recommendations.

SOCIAL SECURITY

The old-age, survivors, and disability insurance program, generally referred to as social security, is the largest income transfer program, in terms of both funds and number of recipients. In 1975, 32 million persons received cash benefits of $67 billion, which was 19 percent of the Federal budget and 4.5 percent of GNP (Table 32). Growth in the program has been extraordinary during the past 5 years. The number of recipients increased by 22 percent, and after adjusting for the increase in prices over this period, the average monthly benefit for retired workers increased by 26 percent.

The social security system has been successful in raising the income levels of a large proportion of the elderly who otherwise would have been impoverished. However, because of the sheer size of the program, there is a

TABLE 32.—*Beneficiaries and cash benefits in the old-age, survivors, and disability insurance program (OASDI), selected years, 1950–75*

Beneficiary or benefit	1950	1960	1965	1970	1974	1975
Number of beneficiaries (millions) [1]:						
Total	3.5	14.8	20.9	26.2	30.9	31.9
Retired workers, dependents, and survivors	3.5	14.2	19.1	23.6	26.9	27.6
Retired workers only	1.8	8.1	11.1	13.3	16.0	16.5
Disabled workers and dependents	----	.7	1.7	2.7	3.9	4.3
Annual cash benefits (billions of dollars)	1.0	11.3	18.3	31.9	58.5	67.1
Average monthly benefits (dollars):						
All retired workers [1]	44	74	84	118	188	206
Maximum to men retiring at age 65 [2]	45	119	132	190	[3] 305	[3] 342
Maximum to women retiring at age 65 [2]	45	119	136	196	[3] 316	[3] 360
Minimum to persons retiring at age 65 [2]	10	33	44	64	[3] 94	[3] 101

[1] As of December of each year.
[2] Assumes retirement at beginning of year.
[3] As of June.

Source: Department of Health, Education, and Welfare.

need to evaluate recent developments in the pattern of expenditures and of the taxes required to fund them.

Program Characteristics

The first social security legislation of 1935 intended that the program operate on a self-financed and actuarially sound basis. Contributions from the payroll tax were to exceed benefits in the early years so that a substantial trust fund relative to annual benefit outlays could be accumulated. Individual benefits were to be closely related to each individual's prior earnings except for preferential treatment at the base (minimum) amount. The amendments of 1939 changed the character of the program by stipulating that individuals retiring early in the life of the program would receive benefits greater than the actuarial value of taxes paid, and that dependents of retired workers would also receive benefits without any additional tax payments required. The 1950 amendments moved still farther away from a fully funded trust to the "pay-as-you-go" system which prevails today, under which those currently working essentially pay for the benefits of those who are retired.

As of January 1976, OASDI benefits are funded from a tax of 9.9 percent levied on the first $15,300 of wages, the maximum taxable earnings, with the payments shared equally by employer and employees. The self-employed pay a tax of 7 percent. (An additional tax of 1.8 percent for wage and salary workers and 0.9 percent for the self-employed is for medicare hospital insurance.) Tax payments are paid into separate trust funds, one for retirement and survivors, and one for disability. About 90 percent of all wage and salary earners and the self-employed are covered by the program and subject to mandatory contributions. The major exclusions are Federal civilian employees, who are under a separate Federal retirement program, and some State and local employees. In the past, increases in benefits and taxes have been legislated by the Congress periodically. Starting in 1975, on the basis of the 1972 amendments, benefit levels were "indexed" or linked

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to the consumer price index so that they rise automatically depending on increases in prices. Similarly, the maximum taxable earnings base was roughly indexed to changes in average covered wages, and hence it also

Social security is designed as a replacement for earnings lost because of increases automatically over time.

a worker's retirement, disability, or death. Eligibility for benefits depends on work in covered employment for a minimum period as well as on age, disability, or survivor status. Although there are no restrictions on the amount of income that may be received from property, other pensions, or any sources other than work, individual benefits may be reduced if the beneficiary has earnings from employment and is less than 72 years of age. In 1976 beneficiaries can earn $2,760 without any reduction in benefits, but for each $2 in earnings above $2,760, benefits are reduced by $1. The amount of a worker's basic monthly benefit (before any reductions) depends on the worker's record of covered earnings, averaged over a specified number of years (at present 20 years for retirement benefits). Dependents and dependent survivors receive payments tied to the benefit level of the primary beneficiary. Workers choosing to retire between ages 62 and 65 receive a permanently reduced benefit. Disabled workers under the age of 65 have been eligible for benefits since 1957.

Table 33 shows the relation between the size of the benefit awarded and preretirement earnings for hypothetical male workers at different earnings levels, as calculated by one study. Examples are given for men retiring at age 65 and age 62, for single men, and for married men whose wives did not work in covered employment. The social security formula for determining benefits is scaled progressively so that benefits as a proportion of earnings fall as the benefit base rises. The benefit base, in turn, is calculated from prior earnings. For example, a male worker with a low-wage history culminating in $4,000 in annual earnings in the year before retirement would receive 55

TABLE 33.—*Social security benefits for single men and for married men with a dependent wife retiring at age 65 years and age 62 years, 1974*

1973 earnings before taxes and marital status	Men retiring at age 65 years		Men retiring at age 62 years	
	Amount of tax free benefit (dollars)	Benefit as percent of 1973 earnings before taxes	Amount of tax free benefit (dollars)	Benefit as percent of 1973 earnings before taxes
$4,000:				
Single	2,197	54.9	1,758	43.9
Married	3,296	82.4	2,582	64.5
$8,000:				
Single	3,349	41.9	2,679	33.5
Married	5,024	62.8	3,935	49.2
$12,000:				
Single	3,644	30.4	2,916	24.3
Married	5,467	45.6	4,282	35.7

Note.—Benefits are based on average amount of a worker's wages over a 19-year period. Wage histories for each category of wage earners were simulated by assuming that their wages grew at the same rate as that of the average wages of nonsupervisory personnel. The wife is assumed to be same age as worker and to have no covered earnings.

Source: Department of Health, Education, and Welfare (Office of Income Security Policy).

percent of his preretirement earnings in benefits if he is single, 82 percent if he is married. But a male worker making $12,000 before retirement would receive only 30 percent of such earnings if single and 46 percent if married. Because benefits are tax free and taxes are relatively more important at higher earnings levels, however, the decline in after-tax replacement rates as earnings rise is somewhat less than indicated here.

Income of the Aged

Social security is an important source of income for the aged. Largely because earnings decline with age, and because women are less likely to work than men, and earn less if they do, social security increases in relative importance with age and is relatively more important for households headed by a widowed woman (often single-person households). In 1973, among households headed by a widow aged 70 or older, the average annual income was $2,819, of which social security accounted for 57 percent. By contrast, among households headed by a married man aged 65 to 69, the total mean income was $9,694; social security on the average accounted for 25 percent of income, and wages and self-employment earnings accounted for 46 percent. In 1974, 23 percent of all persons 65 years old and over were women living alone, while 60 percent were married and living with a spouse.

The rapid increases in social security benefits of recent years have made a substantial contribution in improving the income status of the elderly. In 1966, 28.5 percent of those aged 65 and over were below the poverty level compared to 14.2 percent for all persons; in 1974, 15.7 percent of the elderly were in poverty compared to 11.6 percent of all persons. In addition to cash income, many of the elderly have imputed income from owner-occupied homes for which they are no longer making mortgage payments (70 percent of elderly households own their own homes). Virtually all of those aged 65 and over receive medicare or medicaid benefits, and many also finance some of their consumption out of their assets. These additional sources raise the relative level of consumption of the aged.

Work Incentives

Social security has created incentives for the aged and disabled to reduce their work during the year. The availability of the pension itself is an inducement to work less and take more leisure. In addition, the earnings test which applies up to age 72 restricts the amount that can be earned without forfeiting any benefits.

Between 1940 and 1950 only about a third of men aged 65 and over were eligible for social security benefits (Table 34), and benefits were low and declining in real value. After 1950 there was a sharp increase in the percentage eligible for social security—to 81 percent in 1960 and 93 percent in 1975. Benefit amounts also increased sharply, even after adjusting for inflation. After remaining stable from 1940 to 1950 the labor force participation of men at 65 years of age and over declined sharply. Hours worked per week for men 65 years of age and over also fell, from 42 in 1950 to 34 in 1970.

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TABLE 34.—*Labor force participation rates and social security benefits for men 60 years of age and older, selected years, 1940–75*

Age group	1940	1950	1960	1970	1970	1975
Percent of men in labor force [1]:						
60–64 years	79.0	79.4	77.8	73.2	75.0	65.7
60–61 years	81.7	81.8	82.0	80.3	78.7	75.2
62–64 years	77.0	77.7	74.7	67.9	69.8	58.8
65–69 years	59.4	59.7	44.0	39.3	41.6	31.7
70 years and over	28.4	28.3	21.9	16.6	17.7	15.1
70–74 years	38.4	38.7	28.7	22.5	25.2	21.2
75 years and over	18.2	18.7	15.6	12.1	12.0	10.2
Percent of men eligible for social security benefits [2]:						
62–64 years	([3])	([3])	([3])	93.8	----------	96.4
65 years and over	[4] 10.9	32.4	80.7	91.0	----------	92.5
Average monthly primary social insurance benefit for men filing for benefits in given year:						
Current dollars	23.26	31.88	92.03	146.99	----------	263.53
1975 dollars [5]	89.81	71.80	168.24	205.12	----------	263.53

[1] Data in the first four columns are from the "Census of Population." Data in the last two columns are from the "Current Population Survey"; they exclude institutional population and are for April.
[2] Based on number of persons eligible at beginning of year.
[3] Not eligible for social security benefits.
[4] Data are for 1941.
[5] Deflated by the consumer price index.

Sources: Department of Commerce (Bureau of the Census), Department of Labor (Bureau of Labor Statistics), and Department of Health, Education, and Welfare.

The same relation between benefits and retirement behavior is evident for the group aged 62–64, who became eligible for retirement at reduced benefits in 1961. Although their labor force participation rate had been fairly stable until 1960, it declined markedly after benefits became available. One recent study finds that for every 10 percent increase in social security benefits relative to average wages, the number of male beneficiaries aged 62–64 increases by 2.8 percent in the first quarter after the increase, and by 6.0 percent after 5 quarters.

Persons eligible for social security have also been found to adjust their work behavior to avoid losing benefits under the earnings test. Thus, following a liberalization in the earnings test during 1966, over 10 percent of the working beneficiaries raised their earnings from $1,200 to $1,500, the new ceiling. The earnings test does not apply to those aged 72 and over, who may earn any amount without forfeiting benefits. For this reason many of those with high earnings wait until age 72 to start collecting benefits.

Although social security appears to have been an important factor in the decline in employment among those of retirement age, other factors were operating as well. Increases in earnings and income over time enabled workers to save more in order to enjoy more years of leisure at older ages, and a larger proportion of the elderly now have asset holdings and private pensions. The decline in self-employment on the farm and in nonfarm industries also contributed to declining work at older ages, since the self-employed retire at a later age than employees. Studies indicate that in years of relatively high unemployment retirement is accelerated. Compulsory retirement practices may also have had an effect. However, the spread of compulsory retirement

may itself have been stimulated by the availability of social security and the development of private pension systems.

There were additional incentives for the elderly to work longer, however, which have probably served to prevent labor force participation at older ages from falling even faster. Most notable may be the increase in the availability of white-collar employment, which tends to make less demand on physical strength. Increases in part-time employment opportunities have made work more feasible for those wishing a limited schedule, although the increase in part-time jobs may itself have been partly stimulated by the supply of older workers.

Short-Run and Long-Run Financing Problems

Issues have arisen with respect to both the short-run and long-run financial situation of the social security system. The Administration is proposing measures to deal with both of these problems.

Legislation has resulted in increases in benefit awards as a percentage of preretirement earnings, from 32 percent in 1965 to 43 percent in 1975 for the median wage earner aged 65 years and over. Other liberalizations in benefits have occurred, such as the increase in the dependent widow's pension from 82.5 percent to 100 percent of the husband's benefit if neither claimed benefits before age 65. Increases in early retirements have also contributed to rising outlays. Despite increases in the payroll tax rate (from 8.4 percent in 1969 to 9.9 percent in 1975) and in the maximum of earnings to be taxed (from $7,800 in 1969 to $15,300 in 1976) receipts have not risen as rapidly as benefits.

The tax shortfall has been exacerbated by the high levels of unemployment and the relatively slow growth of earnings in the past few years. Preliminary figures for 1975 indicate that expenditures exceeded payroll tax receipts by $2.6 billion, or 4.2 percent of tax receipts. Total expenditures, including administrative costs, exceeded total receipts, including interest on assets, by $1.6 billion, or 2.4 percent. The cyclical component of the problem will eventually diminish with the economic recovery, although a $4.4-billion deficit is forecast for 1976, and the trust fund will be permanently reduced. In response to the decline in the trust fund the Administration is proposing to increase the combined social security tax rate paid by employers and employees by 0.6 percentage point as of 1977. This increase will enable the trust fund to be maintained at a level of at least one-third of outgo for at least the next 5 years.

Projections of the social security system indicate that program costs relative to payroll receipts, under present law, are likely to escalate considerably. The size of the projected shortfall depends on assumptions about the birth rate, the rate of inflation, and the growth rate of real wages. Under commonly used assumptions (births per woman of 2.1, a 4 percent rate of inflation, and a 2 percent growth rate in real wages), expenditures would rise to 22 percent of taxable payroll by the year 2030, an amount which, if benefits were to be matched by tax receipts, would imply a social security tax rate about double today's level. However, with a lower fertility rate

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(1.7) and more pessimistic assumptions about inflation (5 percent) and real wage growth (1.5 percent), social security expenditures would require taxes of 32 percent of payrolls by the year 2030. Optimistic economic assumptions, on the other hand, combined with a projected increase in the fertility rate to 2.5, lead to payroll taxes of 15 percent of the total payroll by 2030. Even this would represent a 50 percent increase in the present tax rate.

One reason the long-run social security projections described above are so high is that 1972 legislation provided for the double-indexing of social security benefits. Under the legislation, once a person starts getting benefits the amount is kept constant in real terms through automatic adjustments tied to increases in the CPI. However, the legislation inadvertently provided for a second effect of inflation on future benefits for those who are now working, since the schedule that relates retirement benefits to past earnings was also tied to the CPI. In this way replacement rates, the ratio of retirement benefits to average wages in the year before retirement, can automatically rise as a result of inflation. It has been estimated that, under current law, if nominal wages increase at 6 percent and the CPI at 4 percent per year, replacement rates for the median wage earner at age 65 would increase from 43 percent in 1976 to 59 percent in 2030. For low-wage workers, the increase would be from 63 percent to 99 percent over the same period and would exceed 100 percent by the year 2040. This rise in replacement rates for those retiring in the future is estimated to add about 26 percent to program costs by the year 2030, compared to a system in which replacement rates remain at the 1975 level.

The Administration will propose a specific plan to modify the system so that benefit levels will rise at the same rate as average wages. The goal is to make a person's benefits rise solely in accordance with wages during his working years and in accordance with the CPI in years after his retirement.

MEDICAL CARE

The provision of medical care services in the United States is largely private, but government plays a major and increasing role in the financing of medical expenditures. Between fiscal 1950 and fiscal 1975 total health expenditures rose from 4.5 percent to 8.3 percent of GNP (Table 35). During the same period the Federal share of the total health bill rose from 12 percent to 29 percent, an expenditure in fiscal 1975 of $34 billion. Federal funding of the hospital component of health expenditures has increased even more dramatically, paying 39 percent of the Nation's hospital bill in fiscal 1975. As a result of the expansion of Federal and State funds and of private insurance, consumers directly paid only 8 percent of all hospital expenditures. Consumers paid nearly all of the remainder indirectly through taxes and insurance premiums.

The two major Federal programs are medicare and medicaid, which were enacted as part of the Social Security Amendments of 1965. Medicare is a

TABLE 35.—*Total health expenditures and personal health expenditures by source of funds, selected fiscal years, 1940–75*

[Fiscal years; percent, except as noted]

Type of expenditure and source of funds	1940	1950	1960	1965	1970	1975
Total health expenditures:						
Amount (billions of dollars)	3.9	12.0	25.9	38.9	69.2	118.5
Percent of GNP	4.1	4.5	5.2	5.9	7.2	8.3
Percent funded by public	20.2	25.5	24.7	24.5	36.5	42.2
Personal health expenditures:						
Amount (billions of dollars)	3.4	10.4	22.7	33.5	60.1	103.2
Percent distribution by source of funds:						
Total	100.0	100.0	100.0	100.0	100.0	100.0
Direct payments	82.0	68.3	55.3	52.5	40.4	32.6
Third party payments	18.0	31.7	44.6	47.5	59.7	67.4
Private insurance	------	8.5	20.7	24.7	24.0	26.5
Other private	2.7	3.0	2.3	2.0	1.5	1.2
Federal	3.9	9.4	9.2	8.5	22.3	27.7
State and local	11.4	10.8	12.4	12.3	11.9	12.0
Hospital expenditures:						
Amount (billions of dollars)	------	3.7	8.5	13.2	25.9	46.6
Percent distribution by source of funds:						
Total funds	------	100.0	100.0	100.0	100.0	100.0
Direct payments	------	34.2	18.6	18.5	12.3	8.0
Third party payments	------	65.8	81.4	81.5	87.7	92.0
Private	------	20.1	39.4	44.0	36.9	37.0
Public	------	45.7	42.0	37.5	50.8	55.0

Note.—Detail may not add to totals because of rounding.

Source: Department of Health, Education, and Welfare (Social Security Administration).

Federal program with uniform benefits available to the aged, to certain disabled persons covered by social security, and to those with end-stage renal (kidney) disease. Medicare includes hospital insurance financed through social security taxes, with benefits subject to a $104 deductible as well as various copayments after the 60th day of hospitalization. A physician reimbursement program is included which requires a monthly premium of $6.70, with benefits subject to a $60 deductible and 20 percent coinsurance. Federal expenditures on medicare doubled from 1970 to 1975. In fiscal 1976 they are expected to reach $17.4 billion. Fiscal 1976 Federal expenditures per enrollee are estimated at $717, but expenditures per beneficiary receiving hospital insurance benefits are estimated at $2,082 and for those receiving supplementary medical insurance benefits, $355.

Medicaid is funded by the States with Federal contributions accounting for from 50 to 78 percent of costs. The law provides categorical coverage of participants in the AFDC program; in 1974, 90 percent of AFDC recipients obtained medicaid benefits. Also covered are most of the aged, blind, and disabled in the supplemental security income program. Many States have also extended coverage to the medically indigent. Medicaid benefits and the population covered vary considerably across the States. In 1974, two States, California and New York, received 30 percent of all medicaid benefits, although they had only about 17 percent of the poverty population. Federal expenditures on medicaid have also increased rapidly and are estimated to be $8.2 billion in fiscal 1976, averaging $606 per participant. In

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addition to medicare and medicaid the Federal Government provides health care for veterans and military personnel (costing $6.5 billion in fiscal 1976), as well as for Indians and other groups ($2 billion in fiscal 1976), and it subsidizes medical research and physician education ($3 billion in fiscal 1976).

The influence of government on medical care extends beyond its spending programs, however. For example, by exempting from taxable income an employer's contributions for health insurance, the government indirectly encourages the purchase of more insurance. Federal and State governments impose regulatory controls on hospitals, and States regulate the training and licensing of physicians and other health professionals. Thus government has considerable direct and indirect influence on the quantity, quality, distribution, and price of medical care in the United States.

This review of medical care and the role of Federal programs centers on: (1) The relation between changes in health status and changes in medical expenditures; (2) the personal financial impact of medical expenses; and (3) the relation between health insurance and resource allocation.

HEALTH STATUS AND MEDICAL EXPENDITURES

The medical care system is clearly important in maintaining the Nation's health. But the relation between various measures of health status and expenditures on medical care suggests that medical care is only one of a large number of factors affecting health.

Dramatic declines in mortality occurred during the first 50 years of this century mainly because of improved sanitation, heating, and other amenities, along with significant breakthroughs in medical technology. The development of vaccines, penicillin, and other drugs led to the control of many infectious diseases. Despite a relatively low level of medical expenditures and little public financing, access to medical care was apparently sufficient to ensure a general dissemination of these medical gains.

Since 1960 there have been substantial increases in expenditures on medical care. Infant mortality rates have declined—from 24.7 deaths in the first year of life per 1,000 live births in 1965 to 16.5 in 1974—partly because of the decline in high-risk births (e.g., births that are a mother's fifth or more). However, life expectancy at age one has barely changed for males since 1960, though for females there has been some increase.

Studies of the relation between income and mortality among the States indicate that higher income actually tends to be positively associated with higher mortality, even though expenditures on medical care increase with income. Many of the factors increasing mortality, such as pollution and sedentary white-collar work, are also associated with high income. Research studies show that, after controlling for these factors as well as education and income, increases in health expenditures are associated with declines in mortality, but the effect is very slight. Moreover, at the same level of income and health expenditure, increases in educational attainment are strongly associated with lower mortality.

Comparisons across developed countries also indicate that there is no simple relation between health and income or health expenditures. Among the OECD countries, life expectancy for males at age 10 tends to fall somewhat as income measured by gross domestic product (GDP) increases, even though health expenditures seem to be strongly related to GDP. A fairly strong negative relation is found, however, between infant mortality and income. These patterns are illustrated by the contrast between Greece and the United States. Although per capita GDP is about 4 times higher in the United States and per capita health expenditures are 10 times as high, life expectancy at birth is 72 years for Greek males and 67 years for American males. For females, the difference is smaller: 76 years for Greeks and 75 years for Americans. And infant mortality rates are higher in Greece: 25.3 in 1973 compared to 17.6 in the United States.

There are wide differences among the developed countries with respect to public funding and provision of care, which some believe has an important effect on health, particularly of the poor. The United States tends to rely more on private insurance or personal expenditures than do most developed countries. But there is no indication that access to physicians' and hospital services in the United States is actually more restricted than in countries with nationalized health insurance or health care. For example, one study of visits to physicians in 1964 compared the situation in the United States before medicare and medicaid with that in Sweden, where a substantially greater proportion of physicians' services are paid for by national health insurance. The incidence of reported symptoms of sickness was higher in Sweden, but the percentage who saw a doctor when they had a symptom was the same in both countries (46 percent). The ratio of visits to the incidence of symptoms was, however, somewhat lower in the United States for low-income persons (42 percent versus 46 percent for Sweden) and higher for high-income persons in 1964 (51 percent versus 48 percent in Sweden). In 1971 a second survey showed an increase in the ratio for all income levels in the United States (50 percent), with the lowest income group close to the level of the highest income group (52 percent and 54 percent respectively). No data are available for Sweden in 1971. These general findings—that in the United States there are a similar number of visits to physicians per reported symptom as in other developed countries with greater subsidization of medical care—are confirmed by other studies comparing a broader range of countries, including those with nationalized health services.

The United States, however, has high mortality rates despite seemingly low sickness rates and high utilization of medical resources. One possible explanation is that the higher mortality in the United States is not the result of chronic illness susceptible to medical treatment, but is due to illness less readily affected by medical technology. The unusually high rates of mortality in the United States from cardiovascular diseases give this hypothesis some

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support. These diseases, it should be noted, are more likely to be influenced by life-style and environmental factors.

When health and income are compared across families in the United States, persons with low incomes are found to have poorer health, as measured by such indexes as days spent in bed and infant mortality rates, than those with high income who live in the same area. In part, the relation occurs because sickness can cause low income. But as was the case with international and State comparisons, detailed studies cast doubt that income or access to medical resources plays a significant role in explaining these differences in health. In fact, in recent years the poor have spent more days in the hospital and visited doctors at least as often as those who were not poor. Moreover, as noted above, a similar incidence of visits to physicians per reported symptom was found for high- and for low-income levels in 1971. Even taking account of differences in sickness, overall access to treatment seems fairly equalized.

Education has been found to be strongly associated with health in the United States and seems to account for the positive relation between income and health among persons living in the same area. Even when health expenditures are held constant, the relation between education and health is important. Education could affect health because those with more education are more aware of the effects on health of smoking, diet, and exercise. Evidence suggests that people with more education are more skilled in using medical resources and are better able to detect warning signals of illness. Of course, to some extent the chain of causation may also run the other way: those with better health may also obtain more schooling.

These studies of the factors affecting health status suggest that large additional expenditures on medical care may be a very costly way of obtaining small improvements in measured health status for this country. Apart from medical care, there are other ways in which the Nation's health may be improved. New advances are likely to result from research on medical technology and drugs, as in the past. Rising levels of education should tend to improve the health of the population. More important may be further research on, and the spread of current knowledge about, the effect of life-style and environment on health status.

HEALTH INSURANCE, HEALTH EXPENDITURES, AND FAMILY INCOME

Given the current level of medical resources, it is important to distinguish between the effects on health of small changes in medical expenditures and the effects of the absence of any medical care at all. Because medical care is beneficial, and the incidence of serious illness is generally unpredictable, people prefer to have medical insurance so that large unpredictable expenditures can be more easily budgeted on a routine basis.

A large proportion of the U.S. population is covered by private health insurance. On the basis of a survey of households, it is estimated that about 78 percent of the population have private health insurance for hospital care and 76 percent have surgical benefits.

Virtually all persons 65 years old and over are covered by medicare. The percentage of this group with private insurance dropped from 54 percent in 1962 to 45 percent in 1967 after medicare was introduced. Since then, however, an increasing proportion have been purchasing private insurance which supplements medicare by paying for deductibles and coinsurance. The low-income elderly are eligible for medicaid, which supplemented medicare for close to one-fifth of the elderly in 1974.

According to household survey estimates, in 1974 about 38 million Americans under age 65 had no private insurance against hospital costs, and 41 million were without surgical insurance. An estimated 40 percent (15 million) of the uninsured under 65 years of age were from families with an annual income below $6,400.

However, an unknown proportion of the uninsured have other sources of coverage or access to free or low-cost care provided by public sources. No unduplicated count of those receiving benefits under all programs is available. In 1974, 23 million persons received medicaid benefits at some time during the year, of whom about 19 million were under age 65, including 14 million AFDC recipients. In fiscal 1975, Veteran's hospitals provided free hospitalization to 1.1 million persons and 14.8 million doctors' visits on an outpatient basis. The miliary provided care for the 2 million men and women in the Armed Forces; 7 million ex-military personnel and their dependents, and the dependents of current military personnel were eligible for care under the civilian health and medical care program for the uniformed services (CHAMPUS). Care was also provided to Indians and others through the Public Health Service. State and local government spending for health, excluding medicaid, exceeded $8.5 billion in 1975.

Another way to evaluate the extent of coverage for high-cost medical expenses among the poor is to examine the data on expenditures incurred and sources of payment. In 1970, persons in lower-income families (defined here as an annual income of $5,700 or less for a family of four) incurred expenditures of $229 per year on medical care, compared to expenditures of $254 by those who were not poor (Table 36). Sources of funding differed, however: medicare, medicaid, and other government programs paid for 46 percent of the expenditures of lower-income families, compared to 12 percent for other families, who, as expected, relied more on private health insurance. Out-of-pocket medical care payments averaged $77 for those with lower income and $127 for those with higher income.

Hospital expenditures are likely to be less discretionary than other medical expenses, and the poor incurred somewhat higher hospital expenditures than those with higher incomes. However, both groups were liable for only a small fraction of hospital bills. Mean out-of-pocket hospital expenses for those requiring a hospital stay were only $14 for the poor and $16 for others.

Although lower-income groups seemed to have obtained the same amount of health resources as others in 1970, mostly subsidized by public sources, outlays on health consumed a larger proportion of their income. Outlays includ-

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TABLE 36.—*Expenditures per person for different health services by family income status and source of payments, 1970*

Type of expenditure and family income status [1]	Health expenditures (dollars)		Payment as percent of total health expenditures					
	Total	Out of pocket	Total	Medicaid and other free care	Medicare	Voluntary insurance	Out of pocket	Other sources [2]
Total expenditures per person	248	116	100	11	8	29	47	4
Below near poverty	229	77	100	28	18	16	34	5
Above near poverty	254	127	100	6	6	33	50	5
Inpatient hospital expenditures	104	16	100	17	15	46	15	6
Below near poverty	113	14	100	30	28	23	12	6
Above near poverty	101	16	100	13	11	53	16	7
Physician expenditures	65	33	100	8	6	31	51	5
Below near poverty	57	22	100	28	14	16	39	4
Above near poverty	67	36	100	1	4	34	54	6
Other health expenditures [3]	79	67	100	6	1	6	85	1
Below near poverty	59	41	100	22	2	3	69	3
Above near poverty	86	75	100	2	1	8	87	1

[1] Near poverty is a measure above the poverty threshold used by the Bureau of the Census. It was $5,700 for a family of four in 1970.

[2] Includes free and non-free care provided by Veterans Administration hospitals, workers' compensation, and military and civilian health and medical care programs for the uniformed services and their families.

[3] Includes expenditures on prescription and nonprescription drugs, dental care, appliances such as eyeglasses, care by nonphysician medical practitioners (nurses, psychologists, Christian Science practitioners), ambulance service, other outpatient services, and supplies.

Note.—Detail may not add to totals because of rounding.

Source: Department of Health, Education, and Welfare (Bureau of Health Services Research and Evaluation).

ing both out-of-pocket expenditures and payments for health insurance premiums were estimated to be 9 percent of income on average for lower-income families and 4 percent for higher-income families.

It appears that a small proportion of the population experiences catastrophic medical expenditures relative to their income in any year. In 1970, 1 percent of all families were estimated to incur medical and psychiatric expenditures of $5,000 or more. Eighty percent of the expenditures over $5,000 were paid for by private insurance, medicare, medicaid, and sources other than the family. About 8 percent of all families had outlays (out-of-pocket expenses plus insurance premiums) of $1,000 or more, of which 40 percent represented routine payments for insurance premiums. For lower-income families, 2 percent had outlays of $1,000 or more during the year; and at higher income levels, 10 percent had such outlays. These medical outlays which include out-of-pocket expenses and insurance premiums exceeded 15 percent of income for 10 percent of all families, and the proportion was 25 percent for lower-income families and 4.5 percent for higher-income families. These estimates overstate the relation between outlays and income, however, because lower-income families with large health outlays are more likely to have a current income that is temporarily depressed below the usual level because of the sickness of an earner.

The data reviewed on expenditures and outlays refer to 1970. Since then, medicaid has expanded: from serving 15.5 million persons, it served 23 million persons in 1974, and third-party payments (both public and private) have accounted for a larger share of all expenditures.

Most Americans do have some coverage for health expenditures through public or private insurance or publicly provided care. However, it is believed that a substantial proportion do not have coverage for very large medical expenses relative to their income and assets, although it is also believed that such coverage is spreading rapidly. The Administration has proposed providing catastrophic health insurance coverage for medicare participants. This proposal is discussed below.

RESOURCE ALLOCATION AND COSTS

One of the major concerns about medical care is the sharp rise in costs. Since 1950 the medical component of the CPI has increased much faster than the overall CPI (Table 37).

Prices of hospital services have increased at a much faster rate than physicians' fees or other medical services. In part this is the result of an increase in the quality of hospital services not fully reflected in the CPI. As indicated in Table 37, when total hospital expenditures per patient day are deflated by a crude price index for hospital inputs, it appears that increases in real resources explain a substantial amount of the rate of increase in expenditures per patient day. During the 5-year period since medicare and medicaid were introduced, 1965 to 1970, the rate of increase of real resources per patient day nearly doubled and accounted for about one-half of the nominal increase in hospital expenses per patient day.

TABLE 37.—*Changes in prices of various medical and hospital services and expenses, 1950–75*

[Percent change; annual rate]

Period	Consumer prices					Hospital expenses and services per patient day [1]		
	All items	All services less medical care services	Medical care services			Expenses [3]	Real expenses [4]	
			All [2]	Semiprivate room	Physicians' fees		Assumption A [5]	Assumption B [6]
Annual average:								
1950 to 1955	2.2	[7] 3.8	4.2	6.9	3.4	8.2	3.3	4.3
1955 to 1960	2.0	[7] 3.3	4.4	6.3	3.3	6.9	3.3	3.5
1960 to 1965	1.3	1.8	3.1	5.8	2.8	6.7	3.3	4.2
1965 to 1970	4.2	5.4	7.3	13.9	6.6	12.7	6.0	7.4
1970 to 1975	6.7	6.3	7.6	10.2	6.9	12.5	4.8	5.1
Change from preceding year:								
1971	4.3	5.3	7.3	12.2	6.9	13.2	4.5	6.6
1972	3.3	3.8	3.7	6.6	3.1	13.4	6.5	7.8
1973	6.2	4.3	4.4	4.7	3.3	7.6	2.8	1.6
1974	11.0	9.2	10.3	10.7	9.2	11.2	3.7	2.5
1975	9.1	9.1	12.6	17.2	12.3	17.6	6.5	7.3

[1] Beginning 1965, patient days have been adjusted for outpatient visits.
[2] Includes some medical care services not shown separately.
[3] Based on data reported by the American Hospital Association for community hospitals for year ending September 30.
[4] Labor and nonlabor inputs adjusted for price changes.
[5] Deflated by a weighted average of the consumer price index and an index of hospital wages.
[6] Deflated by a weighted average of the consumer price index and adjusted hourly earnings index in the private nonfarm economy.
[7] Change for all services.

Sources: Department of Labor (Bureau of Labor Statistics), American Hospital Association, and Council of Economic Advisers.

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Resistance by taxpayers to the increasing burden of medicare and medicaid, and pressures to restrain medical costs have led in the past to pressures for a more formal mechanism to control costs. During the period of the Economic Stabilization Program, starting in August 1971 and ending April 1974, the health industry was placed under more stringent price controls than most industries. In addition to price ceilings on individual services, controls were also placed on the increase in total annual hospital expenditures. These controls in effect curtailed the amount as well as the price of the service provided. From 1972 to 1973 increases in hospital resource use per patient day did slow. However, it is not clear whether the slower growth rate represented a gain in efficiency through a more careful use of resources, a curtailment of quality improvements that would have been desirable, or less efficiency through a greater rate of admission of less serious cases. Since the end of controls, real hospital resources have increased at a very rapid rate, partly to "catch up" and perhaps partly in anticipation of a permanent controls program. Hospital expenses per patient day increased at the very high rate of 18 percent from 1974 to 1975.

Some of this expansion in medical resources is probably a desired quality improvement. There is considerable evidence, however, that much is a consequence of the growth of private insurance and public funding, which has led to a system where "third parties" pay for an increasing share of medical services, particularly hospital services. The most common form of health insurance has low or no deductibles and low cost-sharing (coinsurance), especially for hospital care. This type of coverage has been shown to have a substantial effect on the price and quantity of services. For example, families with insurance have a greater number and longer length of stays in hospitals and more visits to physicians. The patients may themselves prefer this extra health care because the extra cost to them is small. In addition, hospitals and doctors, knowing that most of the costs will be paid by third parties who are not in a position to decide on what services should be provided, are also likely to expand the quality, quantity, and price of their services. As a result, patients receive services that they would not value enough to pay for if they were given additional income equal to the cost of the service. In this way too many resources, and probably not the optimal kind, are allocated to medical services. The system encourages the development and use of high-cost techniques and a reliance on institutional rather than home care.

Unlike most other forms of insurance, private health insurance is largely purchased through the employer in a group policy. This practice has been substantially encouraged by the income tax and payroll tax systems, which exempt from taxation the employer's contribution for this form of insurance even though it is really an addition to the worker's income. Up to a point, it is to the mutual benefit of employer and employee to favor wage increases in the form of untaxed fringe benefits rather than in cash. As workers have moved into increasingly higher marginal tax brackets, this incentive has increased. In 1953 employers paid all of the costs for health insurance

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premiums for 10 percent of employees and none of the costs for 41 percent. By 1970 employers paid all of the costs for 39 percent and none of the costs for only 8 percent. The Government further reduces the cost of insurance by allowing a deduction under the personal income tax of half the cost of premiums paid by the taxpayer up to $150. All medical expenditures, including the other half of the premium cost, that exceed 3 percent of income may also be deducted. Estimated tax losses in fiscal 1977 are $4.2 billion for exclusion of employers' contributions and $2.1 billion for itemized medical deductions, including insurance premiums.

As a result of these tax subsidies, the cost to the consumer of paying for medical care indirectly through insurance is sharply reduced. Indeed, it has been estimated that in 1975 the Federal Government paid 20 to 22 percent of the premium costs of insurance through forgone tax receipts. Even taking into account the insurance companies' administrative costs and the costs of induced additional medical care, a result of the tax subsidy is that families with group coverage, paid for at least in part by the employer, spend less on medical care by buying insurance than they would have done by paying directly. In an unsubsidized market, consumers would have the incentive to pay out of pocket for routine budgetable medical care and to confine their insurance to very large and unpredictable expenditures. Faced with insurance at a substantial discount, they are induced to buy more comprehensive insurance, covering expenditures from the first dollar.

The problems of insurance are exacerbated in the case of medicare and medicaid because the mechanism of higher premiums, which may provide weak incentives to economize in our subsidized private insurance market, hardly works at all in the public system. Although there are medicare deductibles, there is no copayment for the first 60 days of hospital care. Under medicaid there are generally no deductibles and no coinsurance for hospital and physicians' services.

Perhaps the main feature that fosters cost increases is the method by which medicare, medicaid, and most Blue Cross policies reimburse the hospitals. These insurers pay a share of the hospital's costs, based on the percentage of all costs accounted for by their respective beneficiaries. Because hospitals have the assurance that a large percentage of their revenues will be based on cost reimbursement, there is little direct restraint to keep costs down. The Federal Government is now experimenting with prospective reimbursement schemes, whereby hospitals are told in advance how much they will be reimbursed per unit of service provided (e.g., patient admissions, patient days).

MEDICAID AND MEDICARE PROPOSALS

Medicare and medicaid have an important role to play because many of the poor and aged have difficulty financing health insurance premiums, deductibles, and cost-sharing. In part, medicaid has expanded the use of medical services by the poor and has changed patterns of use from the public hospital or charity clinic to private doctors and nonpublic hospitals.

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Medicaid benefits are unevenly distributed across States, however, with some of the wealthiest States receiving more than four times as much Federal money per low-income person as poorer States. In addition many other health care programs are funded under narrow categorical legislation which makes coordination difficult.

For these reasons the President has proposed to merge medicaid and 15 other programs, such as mental health services and neighborhood centers, to form a single State block grant for health services under the proposed Financial Assistance for Health Care Act. The grant would be distributed among States according to such specific measures of need as the number of low-income persons. This would replace the present method of determining the distribution of medicaid funds, and funds for other formula and project grants, which use a wide variety of often arbitrary criteria such as narrow categories of disease or family status. The new formula grant would redistribute Federal funds more equitably, since need would be the basic criterion. The new formula grant proposes Federal funding of $10 billion for fiscal 1977.

Under the proposed legislation, States would be provided with maximum flexibility to allocate their funds among programs. In addition, States would be required to undertake planning and cost control activities and would also be able to experiment with different forms of giving the aid—whether through insurance vouchers, Health Maintenance Organizations, or direct State provision. Thus some innovations in health financing which would have implications for slowing the increase in medical costs may be stimulated.

The Administration has also proposed the Medicare Improvements Act of 1976, which would provide better protection for the elderly and disabled from catastrophic health expenses and would also help to control costs. Under the cost-sharing reforms, beneficiaries would pay the deductible and 10 percent of hospital and nursing home charges until the proposed maximum of $500 in out-of-pocket expenditures is reached, after which the Government would pay all costs for covered services. For physicians' services, beneficiaries would pay a deductible of $77 per year and 20 percent of the charges, up to a proposed $250 of out-of-pocket expenditures. All expenditures above that would be paid by the Government. It is also proposed to limit annual increases in Federal reimbursements to medical care providers to 7 percent for a day of hospital care and 4 percent for physicians' services. These measures are expected to result in Federal cost savings of $2.2 billion in 1977 compared to expected costs under the current medicare provisions.

CHAPTER 4

The World Economy in 1975

THE 1974–75 RECESSION APPEARS TO DIFFER from previous recessions, not only in its breadth and depth but also in the length of time it is taking for recoveries to take hold. Although the fall in activity rates generally seems to have halted by the end of summer, in many countries recoveries seem slow and appear fragile. The quintupling of the price of oil over the past several years has been a major factor deepening the world recession and inhibiting economic recovery. First, it ensured the simultaneity of the recessions in many countries. Second, structural changes necessary to adjust to the increased cost of energy have compounded the uncertainties created by the inflationary wave of 1972–73.

Because of the historically very strong inflationary pressures that preceded the downturn and persisted well into the recession, authorities in many countries were cautious in the timing and degree to which they moved toward expansionary policies late in 1974 and in early 1975. Since mid-1975, however, the thrust of policy has become broadly expansionary in almost every industrial country and policy measures put in place have cumulated to impart a very considerable stimulus. As a result, individual economies now seem to be poised for a return to acceptable growth paths, particularly since private sector assets have increased and liquidity positions have improved considerably over the past year. Recoveries could therefore broaden out very quickly. Just as the downturn was deepened because activity fell at the same time in many countries, recovery paths may become considerably steeper than now appears likely because upturns in individual countries, led by the recovery in the United States, are beginning to reinforce each other.

THE CURRENT STATE OF THE CYCLE

By early 1975 the slowdown in economic activity that had started in late 1973 in a number of industrial countries had broadened into the most widespread recession since World War II. By May, industrial output in the Organization for Economic Cooperation and Development (OECD) area had fallen to a trough, 12 percent below the cyclical peak reached in November 1973. This drop in economic activity in the industrial countries

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necessarily had severe repercussions throughout the rest of the world. Consequently in 1975 the volume of world trade registered its first significant decline in three decades. At the low point in the first quarter of 1975 the flow of goods across national borders was 11 percent below its historical high, reached in the second quarter of 1974. With the broadening and deepening of the recession, the thrust of economic policy in most major industrial countries turned increasingly expansionary during the year.

The bottom of the recession appears to have been reached, at least for most industrial countries, sometime during the summer of 1975. The recovery first became apparent in the United States and Japan early in the year and is now in train in Germany and France. In the other major economies the downward trend seems to have been halted. But the underlying strength of a broad upturn in activity is contingent upon the restoration of confidence in the private sector.

DOMESTIC DEMAND

In the major foreign industrial countries the stabilization of economic activity around mid-1975 was largely the result of previous increases in government expenditures and the ending of the inventory adjustment. Earlier in 1975 inventory decumulation constituted a considerable drag on activity almost everywhere. By midyear reduced liquidation of inventories began to lend some support to industrial activity, and by the autumn industrial production was moving up, albeit slowly, in an increasing number of countries (Table 38).

TABLE 38.—*Changes in industrial production in selected industrial countries, 1974–75*

[Percent change; seasonally adjusted]

Country	Peak	Peak to December 1974	Peak to June 1975	From preceding month in 1975 to:				
				July	August	September	October	November
United States	Nov. 1973	−7.9	−12.9	1.0	1.8	1.8	0.4	0.5
Canada	Mar. 1974	−3.2	−5.8	−.3	−.3	−1.2	−.5	.....
Japan	Nov. 1973	−16.4	−16.9	2.2	−1.5	1.6	.6	−1.1
France	Aug. 1974	−11.6	−12.4	−2.7	0	−.9	2.8	0
Germany	May 1974	−8.0	−9.7	−2.0	2.0	2.0	1.0	1.9
Italy	Apr. 1974	−15.0	−13.9	1.8	−15.4	19.1	−.3	1.8
United Kingdom	Oct. 1973	−7.7	−10.7	.9	−1.8	1.7	1.2	.1

Source: National sources.

Final demand, however, has not turned up decisively. One relatively bright spot in the private demand situation is the positive response of residential construction activity to easier monetary policy and to direct fiscal measures. But the upturn in private consumption demand has remained hesitant, except in the United States, and so far has been unable to provide the consumption-led upswing hoped for in a number of countries. This reflects in part developments in the growth of disposable personal incomes. In real terms disposable incomes have grown only slowly, despite the

lessening of price pressures and the adoption of various fiscal measures designed to support the growth of income. Incomes have been affected first and foremost by the large rise in unemployment, although income maintenance programs have tended to offset a significant part of earnings losses. In addition, increases in wage rates have slowed considerably, and wage drift has diminished because of the deteriorating employment situation and rising short-time work.

Perhaps equally important for the behavior of consumer markets was the rise in household saving rates to postwar highs during the year (Table 39). To some extent the increase in the propensity to save in many industrial countries was directly related to the recession. It reflected uncertainties about the employment outlook and the large fall in the demand for housing and durable goods. These purchases usually require large down payments which are often financed by drawing down savings and substantial borrowing which implies additional dissavings. But in large part, saving rates also increased because of the inflationary environment of the past several years. Real financial assets were eroded significantly during 1972–75; and the large price rises for goods and services purchased frequently, such as food and fuel, reduced discretionary spending power and led to an increase in precautionary savings. The desire to rebuild real asset positions and renewed uncertainties about price prospects help explain why saving rates, although declining somewhat, have remained remarkably high. (For a fuller discussion of saving behavior in the United States, see Chapters 1 and 2.)

TABLE 39.—*Personal or household saving rates in selected industrial countries, 1965–75*

[Percent; seasonally adjusted]

Country	1965–72 average	1970	1973	1974	1975		
					I	II	III
United States	6.7	7.4	8.0	7.5	7.2	9.9	7.9
Japan	19.1	20.3	22.5	24.3	24.0	23.5	24.3
Germany	13.0	14.0	14.1	14.8	16.5	17.0	15.0
United Kingdom	8.8	9.1	11.3	12.7	14.2	13.0	13.7

Note.—For the United States and the United Kingdom, the rate is personal saving as percent of personal disposable income. For other countries, the rate is household saving as percent of disposable income.

Source: National sources.

During the second half of 1975 retail sales were generally increasing and consumer surveys indicated a moderate improvement in the way private households were judging economic prospects. But unemployment continued to increase, or at any rate did not decline (Table 40). By late 1975 the number of unemployed in Western Europe reached postwar highs and on average was almost twice as large as in 1974. And unless certain income maintenance programs are extended, payments may begin to decline.

With the decline in demand, price pressures have been reduced. The moderation in the rate of price increases has in fact been dramatic in a number of countries, especially in comparison with the performance in 1974 (Table 41). But in most countries the progress on the price side appears to be slow-

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TABLE 40.—*Unemployment rates, adjusted to U.S. concepts, in selected industrial countries, 1962–75*

[Percent[1]; seasonally adjusted]

Country	1962–72 average	1973	1974	1975			
				I	II	III	IV
United States	4.7	4.9	5.6	8.1	8.7	8.6	8.5
Canada	5.1	5.6	5.4	7.0	7.3	7.2	7.1
Japan	1.3	1.3	1.4	1.7	1.8	1.9	[2] 2.2
France	2.1	2.9	3.1	3.9	4.2	4.4	[3] 4.6
Germany	.6	1.0	2.1	3.2	4.0	4.6	[3] 4.6
Italy	3.6	3.8	3.1	3.0	4.0	3.6	
Great Britain	3.1	2.9	2.9	3.5	4.3	5.6	5.7

[1] Unemployment as percent of the civilian labor force.
[2] October.
[3] October–November average.

Note.—The quarterly adjusted data for the European countries make use of annual adjustment factors and should be viewed as approximate indicators under U.S. concepts. These data should be viewed as approximate only because of the difficulty in adjusting very disparate concepts.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE 41.—*Changes in consumer prices in selected industrial countries, 1962–75*

[Percent change; annual rate]

Country	1962–72 annual average	1974	1975				
			I	II	III	Oct	Nov
United States	3.3	12.2	6.3	7.3	7.7	7.3	7.3
Canada	3.3	12.5	7.2	11.8	10.9	11.0	10.9
Japan	5.7	21.5	7.3	15.0	7.2	19.2	−6.7
France	4.4	15.2	11.3	9.8	9.3	9.2	7.7
Germany	3.1	5.9	7.9	8.7	1.5	3.5	3.5
Italy	4.3	25.0	10.3	12.9	7.5	13.1	13.7
United Kingdom	4.9	19.2	27.8	48.0	10.3	17.0	14.3

Note.—Change from 1962–72 is based on annual data. Changes for 1974 and the quarters of 1975 are based on data for end of month in period. The monthly changes are simple annual rates (monthly change times 12). Quarterly changes are compounded annual rates.

Source: National sources.

ing, and inflation rates remain unacceptably high. Higher food and energy prices and some increases in the prices of manufactured goods are putting pressures on price levels well before the productivity gains that normally accompany recoveries have had their full downward effect.

With the lessening of price pressures, new wage contracts have also moderated in some countries. But, because less progress has been made in containing inflation elsewhere, a number of countries—for example, Canada, the United Kingdom, Belgium, Finland, and some other smaller countries—have instituted some type of incomes policy.

The evolution of consumption demand and interest rate movements may be crucial to the eventual support the recovery can derive from a resumption of investment spending. Capacity utilization is at very low levels over a wide range of industries in many countries. Consequently, private investment intention surveys have, until recently, shown continuous downward revisions of projected expenditures. Latest surveys indicate that the erosion of business confidence may have come to a halt, but strong support to activity should not be expected from the side of private investment expenditures over the next several quarters.

EXTERNAL DEMAND

At the same time that private consumption expenditures failed to impart the upward impetus to economic activity hoped for earlier in 1975, external demand fell. Countries experiencing a fall in internal demand in earlier periods generally derived support to the level of economic activity from foreign trade. But trade during the 1974–75 recession failed to conform to this pattern because the cyclical downturn was simultaneous across countries. Trade volumes fell significantly for the first time in postwar history, mainly because of a drop in demand among industrial countries for each other's products.

Imports of major industrial countries began to decline in the autumn of 1974, reflecting both weak final demand and inventory decumulation. The latter may have been particularly important because of the generally high import content of inventories in many countries. In value terms the fall in imports amounted to almost 7 percent between the second half of 1974 and the first half of 1975, and in volume terms imports fell by 11 percent. Exports of industrial countries also fell during the first 8 months of 1975, but less than imports (Table 42). Exports to OPEC and to Communist countries have continued to grow, and shipments to lesser developed countries which are not members of OPEC (non-oil LDCs) have been reduced relatively little. The fact that a large number of non-oil LDCs have been able to maintain their import levels in the face of falling demand in industrial countries and rising oil prices largely reflects their much above average export earnings in the 2-year period to mid-1974. In addition, industrial countries, seeking to bolster their export activity as domestic demand shrank, increased their extension of trade credits. Because of the cyclical fall in imports and the somewhat better-sustained level of exports, there have been significant shifts out of deficit in the trade balances of the industrial countries. These shifts are mirrored by larger deficits of non-oil LDCs and shrinking surpluses of OPEC.

With the recession bottoming out around midyear, import demand in the large industrial countries stabilized during the summer months, and trade among industrial countries appears to have resumed its growth in the second half of 1975. But increases in world trade are likely to be constrained to some extent by a deceleration in the growth of import demand of OPEC and by a possible slowdown in shipments to non-oil LDCs.

Although the slide in the exports from LDCs to the larger industrial countries seems to have been halted in recent months, the fall in commodity prices from their cyclical peaks has yet to be reflected fully in earnings figures. There is usually a considerable lag between a change in spot prices and a change in unit values of trade because a fair amount of trade moves under long-run contracts and contract rates take some time to adjust to new spot prices. Lags also occur between the time orders are placed and prices agreed upon and the time of actual shipments; hence trade values at any given time

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TABLE 42.—*Merchandise trade in selected industrial countries, 1973–75*

[Billions of U.S. dollars[1]; seasonally adjusted annual rates]

Country and trade item	1973	1974	1974		1975			
			III	IV	I	II	III	Oct–Nov average
United States:								
Exports	71.4	98.3	100.1	106.4	108.8	102.8	106.9	110.9
Imports	70.4	103.6	109.4	111.9	101.4	89.3	98.8	101.8
Balance	1.0	−5.3	−9.3	−5.5	7.3	13.5	8.1	9.2
Six other industrial countries:								
Exports	217.0	291.1	304.2	308.2	317.0	310.3	296.9	299.7
Imports	207.9	294.7	309.7	307.7	300.8	290.1	291.3	303.4
Balance	9.2	−3.8	−5.6	.5	16.4	20.1	5.5	−3.8
Canada:								
Exports	25.4	33.1	34.5	34.3	32.2	32.0	31.9	33.5
Imports	22.7	31.5	33.6	34.3	34.0	32.7	32.9	34.6
Balance	2.7	1.6	.9	−.1	−1.8	−.7	−1.0	−1.1
Japan:								
Exports	36.3	54.5	56.9	60.1	58.6	54.8	51.9	53.4
Imports	32.6	53.0	54.0	54.3	51.1	46.9	49.1	51.3
Balance	3.7	1.4	2.9	5.8	7.5	7.9	2.8	2.1
France:								
Exports	36.7	46.6	48.7	49.6	54.7	54.5	52.4	51.0
Imports	35.2	50.0	53.1	52.0	53.0	50.0	50.4	54.2
Balance	1.4	−3.4	−4.4	−2.3	1.8	4.5	2.0	−3.2
Germany:								
Exports	67.6	89.6	91.2	93.1	93.8	93.5	85.9	[2]84.7
Imports	55.0	69.9	73.1	73.6	74.5	76.5	73.2	73.8
Balance	12.7	19.7	18.1	19.5	19.4	17.0	12.7	10.9
Italy:								
Exports	22.2	30.1	33.1	32.3	34.3	34.0	35.3	35.5
Imports	27.9	40.9	44.8	41.4	36.5	36.2	38.0	41.8
Balance	−5.7	−10.9	−11.8	−9.1	−2.2	−2.2	−2.7	−6.3
United Kingdom:								
Exports	28.8	37.2	39.8	38.8	43.4	41.5	39.5	41.6
Imports	34.4	49.4	51.1	52.1	51.7	47.8	47.7	47.7
Balance	−5.6	−12.2	−11.3	−13.3	−8.3	−6.4	−8.3	−6.2

[1] Data converted to dollars on the basis of average exchange rates as published in the Federal Reserve Bulletin.

[2] October only.

Note.—Merchandise trade data for the United States, Canada, Japan, and the United Kingdom are on a balance of payments basis; others are on a customs basis. Imports for the United States are f.a.s. (free alongside ship) values; for Germany and Italy, c.i.f. (cost, insurance, and freight) values; for other countries, f.o.b. (free on board) values. Exports for the United States are f.a.s. values and for all other countries f.o.b. values.
Detail may not add to totals because of rounding.

Sources: Department of Commerce (Bureau of Economic Analysis), Board of Governors of the Federal Reserve System and Council of Economic Advisers.

reflect prices of some earlier period. A second factor likely to inhibit the growth of import demand of non-oil LDCs is that debt burdens are mounting as a consequence of growing trade deficits. Thus, external financing difficulties may force curtailment of order activity in some of these countries. To a certain extent some smaller OECD countries, which were able to maintain demand levels well into 1974 and early 1975, are beginning to experience similar problems. External financing problems may be increased by the recent rise in OPEC's export price of oil as it works its way through the individual economies.

The oil-exporting countries are expected to continue to increase their import demand, though not as rapidly as in 1974 and 1975. Growth rates will naturally tend to be lower because imports are expanding from a much

higher base than in 1973–74. More significantly, physical as well as emerging financial constraints in the high-import-absorbing countries, such as Indonesia and Iran, are limiting growth in import demand. Recent data show that a significant reduction in the rate of growth of export flows to the oil-exporting countries as a group is in progress.

THE ROLE OF EXTERNAL DEMAND IN THE RECOVERY

Although little impetus to world recovery can be expected from changes in the import demand of nonindustrial countries, the current resumption of growth of domestic demand in the industrial countries could lend considerable support to world demand. Just as world trade during the recession fell by more than might be expected from its past relationship to changes in overall demand, trade may recover faster than one would normally expect as demand in industrial countries begins to turn up.

A major factor in the resumption of growth in trading volumes is the swing in the inventory cycle. As noted above, inventories in many countries have a relatively high import content, hence trade flows are particularly sensitive to inventory changes. In addition, the past recession has been one in which expenditures for services have held up relatively well, while those for goods fell disproportionately. As final demand begins to turn around, this pattern is likely to be reversed and demand for goods will grow faster than that for services. This will result in a stimulus to world trade over and above what could be expected from the observed changes in total demand.

Although recovery paths as currently projected do not indicate a steep upturn, the effect on world trade of the growth in demand that actually is occurring should not be underestimated. The U.S. economy is moving from a fall in real GNP of about 5 percent between the first half of 1974 and the first half of 1975, to a rise of perhaps 7 percent or so from the first half of 1975 to the first half of 1976. Such a shift alone would have a considerable effect in expanding the volume of world trade. In addition, recovery in the United States is being accompanied by similar, although perhaps somewhat smaller, shifts in the growth rates of other major industrial economies. The swing in activity rates over the comparable period for the six largest foreign economies is from a fall of 2 percent to a projected rise of almost 4 percent, with the largest swing occurring in Germany. Changes in demand of this sort produce significant effects on world trade at any time. But because of the simultaneity of the upturns, these effects are likely to be substantially magnified.

Hopes for recovery of domestic economic activity in most of the smaller countries, and in a number of larger ones as well, have centered upon export-led growth. Because of the depth and the length of the recession, the authorities in some of these countries have been urging others, particularly the United States, to adopt more expansionary policies that would produce greater external stimulus and thereby help put their economies back on a satisfactory growth path. Our analysis indicates, however, that

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further expansionary action in the United States—within reasonable bounds—would do little to accelerate world recovery.

The evidence suggests that an additional 1 percentage point of growth of the U.S. economy—over and above what is currently expected for 1976—may produce an additional increase in the volume of world trade of no more than 0.2 percent in that year. By 1977, partly because of multiplier effects, the extra 1 percentage point of growth in U.S. demand could be expected to induce an expansion in world trade of 0.5 percent. The effect that such a change in the growth of world trade would have on economic activity in the major industrial countries is very small indeed and clearly cannot be decisive to the path of world recovery. For example, the effect on German gross domestic product (GDP) would be virtually negligible: less than 0.1 percent in 1976 and a bit over 0.1 percent by 1977. Effects on other European countries would be of similar magnitude. Although the impact on Canada and Japan would be somewhat greater, it would by no means be of overwhelming significance. Canadian GDP in 1977 might be 0.4 percent higher than it would otherwise have been, and Japanese GDP might be increased by 0.2 percent.*

As noted above, external demand began to revive in the second half of 1975 as the expansionary measures taken in many countries over the past several quarters began to work through the several economies. A resumption in the growth of export demand, such as is in progress now, in addition to its direct effect on activity, can further quicken the pace of world recovery by its effect on business confidence and on the general economic climate. But a slightly faster growth in world trade than is now foreseen cannot make the crucial difference in the turnaround in economic activity in the industrial countries. The main impetus must clearly come from internal demand. And the path of internal demand over the next several quarters depends primarily upon the response of the private sector to the domestic policy measures taken last year.

GOVERNMENT POLICIES

Governments in most of the industrial countries responded to the deepening recession early in 1975 and the continued weakness of final demand through the summer by adopting successive measures designed to bring their economies back to more normal rates of growth. Earlier in the year, with inflation rates still high, expansionary measures, except in Germany, tended mainly to reverse earlier restrictive policies and involved, for example, the easing of credit and public expenditure ceilings. But since midyear the thrust of policy has become broadly expansionary almost everywhere except in Great Britain and Canada, where, however, policies had not been

*These calculations derive from special simulations produced by the LINK model by Professor Lawrence R. Klein of the University of Pennsylvania. The LINK results are in broad agreement with those derived from other econometric models and with simpler calculations based solely on the relative importance of exports to the United States for each of the economies in question.

notably restrictive earlier and where inflation rates continued high relative to 1974 levels.

Discount rates have been cut, monetary aggregates have been growing significantly faster than in 1974, and expansionary fiscal measures were adopted in most major countries. Thus the fiscal and monetary stimuli built into the various economies have been considerable. The fiscal packages announced at the end of the summer, excluding multiplier effects, amount to roughly 3½ percent of GNP in Italy, and 2¼ percent, 1½ percent, and ½ percent of GNP in France, Japan, and Germany, respectively. Although some of these measures will not come into effect until later this year, they are in addition to steps taken during the first half of 1975, and as such they cumulate to considerably more than the impacts cited above. The large budget deficits foreseen in most countries are to some extent cyclically determined; but even on an estimated high-employment basis the shift in fiscal deficits of some countries, and therefore in discretionary policy, appears to be substantial. Monetary conditions have eased almost everywhere; and interest rates, notably short-term rates, have come down significantly.

THE GENERAL OUTLOOK

With the policy measures now in place, the strength of confidence may be the crucial element in determining the pace and breadth of the current recovery. Over the past 12 months liquidity positions in the private sector have improved significantly. Corporations' debt maturities have been lengthened, and consumer debt outstanding is at low levels in relation to disposable incomes. On the whole it appears that private sector demand is mainly inhibited by uncertainty. With growing confidence, recovery paths may well become steep, particularly because expansionary actions have been taken simultaneously in many countries—as they had in 1971–72. In contrast to 1972, however, purchasing power in oil-importing countries continues to be siphoned off by the higher foreign price for oil. Furthermore, capacity utilization is currently at considerably lower overall levels; hence bottlenecks are not likely to develop at an early stage of the recovery.

As the recovery proceeds, however, particularly as it starts from low primary-stage inventory levels in many countries, pressure on some industrial sectors could become severe well before the upswing becomes broad-based and before overall capacity utilization reaches more normal levels. For example, in the United States overall capacity utilization in the manufacturing sector, at its cyclical peak in the third quarter of 1973, was 83.3 percent as measured by the Federal Reserve index; but at the same time capacity utilization for firms processing raw materials had approached post-Korean war highs. It may also be that general measures of spare physical capacity do not serve well in periods following relatively long and deep recessions. During such recessions effective capacity, rather than being added to, as is generally assumed in calculations of potential capacity, may grow only slightly or may

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even be consumed. Actually usable capacity, therefore, tends to be less—and in some cases considerably less—than calculated.

Furthermore, the current upswing comes at a time when the world economy has begun to adjust to the higher relative price of energy. This adjustment implies an increasing obsolescence of high-energy-using equipment where alternative production methods are being devised. Thus, although this structural shift adds to demand for new equipment, it may reduce currently usable capacity in some sectors. Finally, the large increases in exports to OPEC, which have given considerable support to activity during the recession, are largely concentrated in goods incorporating precisely those industrial materials that tended to be in short supply early in the 1972–73 upswing.

Although the current outlook carries a number of downside risks, the above discussion points to the existence of very real upside risks. A significantly faster recovery than now projected could lead to a repetition of the inflationary pattern of 1972–73. This outcome would not necessarily imply a return to double-digit inflation. Perhaps only one-half of the acceleration in inflation rates in the industrial countries, from an annual rate of 5¾ percent in 1970 to over 14 percent by the end of 1974, can be attributed to cyclical factors. Exogenous shocks, such as the increase in the import price of oil and shortfalls in grain harvests, may have accounted for the rest. But significant upward pressure on price levels, even if inflation rates remain below the two-digit level, may revive inflationary expectations. Such a development, because of its possible effect on saving rates, could carry the seeds of renewed curtailment in the growth of private demand.

For the short run, the major policy task in the industrial countries seems to center on the lessening of uncertainties in the private sector. Some policy makers have suggested that this can best be achieved by a steady policy stance supportive of the recovery. Uncertainties about future policy action, both in demand management and in social policy, should not be added to the uncertainties already created by the oil crisis and by the inflationary experience of the past several years.

INTERNATIONAL ECONOMIC COOPERATION

The experience of 1972–73 has shown that simultaneous measures to reflate national economies, without due regard to the amount of spending power that is being built up collectively, can lead to worldwide inflation. Similarly, the simultaneous deflationary policies of 1973–74 led to cumulative recessions. Thus in formulating national demand management policies explicit account needs to be taken of changes in world demand, in order to avoid the misreading of the changes in demand forces that occurred in 1972–73 and in 1974–75. If domestic policy objectives are to be achieved efficiently in an interdependent world, economic changes and policy goals in other countries must be given explicit consideration, precisely because they affect the path of any national economy, even the largest.

Faced with the great economic difficulties of 1974–75 and the threat that these might be intensified by divisive action, governments have striven to strengthen the mechanisms of international cooperation and understanding. These efforts are exemplified by the Economic Summit at Rambouillet in November 1975, a meeting of heads of government of six major industrial countries, and by the beginning in December 1975 of the Conference on International Economic Cooperation (CIEC), which involves a dialogue between industrial countries, oil producers, and non-oil LDCs. Some progress has also been made in matters involving trade and international monetary arrangements. The commitment to pursue internationally compatible policies and to avoid beggar-thy-neighbor policies may become increasingly important in months to come, since unemployment levels are likely to remain high in the early stages of the recovery and some sectors of the economy will tend to lag considerably behind a general upturn in activity. The political pressures on governments to take a narrowly nationalistic view of these problems may therefore intensify.

TRADE POLICIES

Pressures for protectionist actions, which resulted from the worldwide recession and were latent throughout much of 1975, intensified in a number of countries toward the end of the year. Recognizing that beggar-thy-neighbor policies can only serve to make everybody ultimately poorer, the governments of the OECD countries except Portugal renewed in May 1975 the pledge they had made a year earlier to refrain from taking measures specifically aimed at improving their individual trade positions. As a result, international trading arrangements were not seriously breached during the course of 1975, and there have been few significant departures from the pledge. On the import side a number of smaller OECD countries, Portugal, Finland, Iceland, New Zealand, and Yugoslavia, have instituted import deposit or licensing schemes. (An import deposit scheme in effect in Italy was lifted in March 1975.) Among the larger countries only Australia, which had earlier cut some tariffs, imposed tariff increases or quotas on a relatively wide range of goods. Political pressure to institute protectionist measures was particularly evident in Great Britain, where the government in December imposed restrictive import measures on a limited number of products. On the export side, a number of governments, among them the French, Italian, and British, have instituted or expanded fiscal and monetary measures specifically designed to encourage exports.

Against this background, the heads of government of six major industrial countries at the Economic Summit reaffirmed their commitment to the principles of the OECD trade pledge and agreed that the time schedule of the Multilateral Trade Negotiations (MTN) now under way in Geneva should be accelerated. The MTN aim at achieving substantial tariff cuts or elimination of tariffs in some areas, a significant expansion in agricultural trade, and a reduction in nontariff barriers by the end of 1977. This con-

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stitutes an ambitious program, yet a necessary one in the current economic and political setting.

Progress in 1975 has mainly been toward laying the basis for actual negotiations in 1976 and 1977. The preparatory work for the MTN proved to be more time consuming, compared to that in preceding trade negotiations because of the larger number of participants and because for the first time a wide range of nontariff barriers are being included. Unlike preceding negotiations, the MTN have been marked by a concentrated effort within the United States to reach a broad domestic consensus on what they are to achieve.

Progress in Geneva has been made on a draft code for the regulation of product standards and the treatment of tropical products. It is expected that broad agreement will be reached in 1976 on the major elements of a tariff-negotiating plan and on the procedure for achieving a meaningful liberalization of quantitative restrictions. It is further hoped that substantial progress can be made this year on procedures for dealing with questions of subsidies, government procurement, and safeguards against injurious import penetration so that substantive negotiations can begin. The United States also continues to work toward developing improved procedures and agreed principles on assured access to supply.

The admittedly difficult area in which little movement can be discerned is agriculture. The problems in the agricultural area are well known and of long standing. First, they concern the great comparative advantage that the United States and some other primary producers have over producers in the European Community (EC). Second, there are different approaches toward maintenance of farm incomes, with the United States moving away from price stabilization and production controls and the EC firmly committed to price supports. Because of the deep-seated problems in this area, it was particularly important that the heads of government at the Economic Summit specifically emphasized their commitment to achieve a significant expansion of trade also in agriculture.

INTERNATIONAL MONETARY DEVELOPMENTS

Discussions initiated in the International Monetary Fund (IMF) in 1972 about the structure of a reformed international monetary system were quickly overtaken by events in early 1973. Growing pressures on price levels and volatile short-term capital flows led to the adoption of de facto generalized floating in March 1973. Toward the end of 1973 the quadrupling of the export price of OPEC oil brought about a fundamental change in the international payments structure. Oil-importing countries as a group began to be faced with large current account deficits vis-a-vis the oil exporters, at least for a number of years until import demand in oil-exporting countries can rise to match export revenues and until importing countries develop alternative sources of energy and succeed in economizing on energy use. Consequently, financial markets and official international monetary arrangements had to

adapt to rapidly changing payment patterns, including an enormous increase in capital flows connected with the financing of the so-called "oil deficits." Moreover there were wide disparities in inflation rates among countries. In these circumstances the flexibility of the exchange rate regime that had emerged after the breakdown of the parity system became increasingly important in facilitating trade and payment flows in 1974 and 1975. Of course the monetary, fiscal, and other policies that individual authorities adopt to stabilize their economies and to adapt to the higher oil import bill—whether by increasing net exports, borrowing from official or private sources, or drawing on reserve assets—constitutes "managing" their exchange rate in the wider sense of the term. It is of continuing importance that this "management" of exchange rates not lead to competitive devaluations or other self-defeating and disruptive policies, but be accomplished in an internationally cooperative manner.

The financing of the large external deficits of oil importers over the past 2 years has been accomplished considerably more smoothly than had been anticipated earlier. Financial markets turned out to be very adaptable, and the more flexible exchange rate system helped to avoid the market disruptions so often experienced during past periods of strain. Furthermore, deficits were somewhat smaller than was earlier foreseen because of a faster rise of import demand in oil-exporting countries and a reduction in the demand for oil imports resulting from resistance to high oil prices, conservation efforts, and the recession. Finally, expansion of international liquidity through increased use of IMF credit, including the creation of the Oil Facility in the IMF and increases in official lending, helped ease more serious financing strains. Traditional concepts of measurement of total international liquidity, such as those published by the Bank for International Settlements (BIS), however, have dubious applicability in today's international monetary system. Some of the currency reserve assets—for example, those accumulated by oil-exporting countries—tend to be "inactive" assets because they represent the intended accumulation of foreign investment and differ in important respects from earlier foreign currency accumulations by monetary authorities. And large-scale official borrowing in foreign financial markets has demonstrated the ability of countries to create liquidity through debt operations. The fact that not only the Eurocurrency markets but also national money markets, such as the U.S. market, are open to foreign borrowers and lenders is very important in this respect and has helped smooth the financing of external deficits.

The financial surpluses of OPEC in the first instance were largely invested in very short-term assets. But during 1975 considerable diversification of OPEC investments took place. The share of investible funds flowing into bank deposits and short-term assets was much reduced—from about one-half to perhaps one-quarter—and purchases of corporate bonds, equities, and long-term government securities rose. For the reasons discussed above, the total amount of OPEC new investible funds declined sharply in 1975.

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The shrinkage in OPEC surpluses in 1975 was reflected in a large reduction in the current account deficits of the industrial countries (Tables 43 and 44). The decreased financing needs of industrial countries in 1975, however, were partly offset by an increase in import surpluses of LDCs that stemmed largely from the recession. (The financing problems of LDCs are discussed below.) Because of the smaller total external financing needs and the realization that the international financial system had been able to intermediate successfully between the large increases in the supply and demand for loanable funds, developments in international money markets in 1975 more closely reflected differential economic conditions than they had during the turbulent year of 1974. Because most other economies have lagged the United States in the cycle, interest rate relationships have shifted during the year (Charts 3 and 4). Early in 1975 short-term rates in the United States declined sharply relative to rates in other money-market centers. But from mid-June to September, most interest rate differentials swung the other way. Some of the resulting interest rate incentive was reversed again later in the year, but by then rate-induced capital flows to the United States were also being strengthened by the relatively better economic news here than abroad, and by the continuing high U.S. trade surplus.

TABLE 43.—*Current account balances for OECD, OPEC, and other countries, 1973–76*

[Billions of U.S. dollars]

Group of countries	1973	1974	1975 [1]	1976 [2]
OECD	2½	−36¼	−6	−17½
OPEC	3½	56	40	43
Non-oil developing countries	−2½	−17½	−27	−21¼
Other countries [3]	−4	−10	−14½	−13½
Discrepancy	−½	−7¾	−7½	−9¼

[1] Estimates.
[2] Projection.
[3] Sino-Soviet area, South Africa, Israel, Cyprus, Malta, and Yugoslavia.

Sources: Organization for Economic Cooperation and Development, Department of the Treasury and national sources.

TABLE 44.—*Current account balances for OECD countries, 1974-75*

[Billions of U.S. dollars; seasonally adjusted]

Country	1974		1975	
	First half	Second half	First half	Second half [1]
OECD: Total	−19.2	−17.0	−0.1	−6
United States	−1.8	−1.6	5.8	6¾
Canada	−.1	−1.5	−2.5	−2½
Japan	−4.1	−.9	.9	−1¾
France	−3.7	−2.3	.7	−1
Germany	5.2	4.4	3.5	1
Italy	−4.5	−3.3	.3	0
United Kingdom	−4.2	−4.4	−2.0	−2½
Other OECD	−6.0	−7.4	−6.8	−6

[1] Estimate.

Sources: Organization for Economic Cooperation and Development and national sources.

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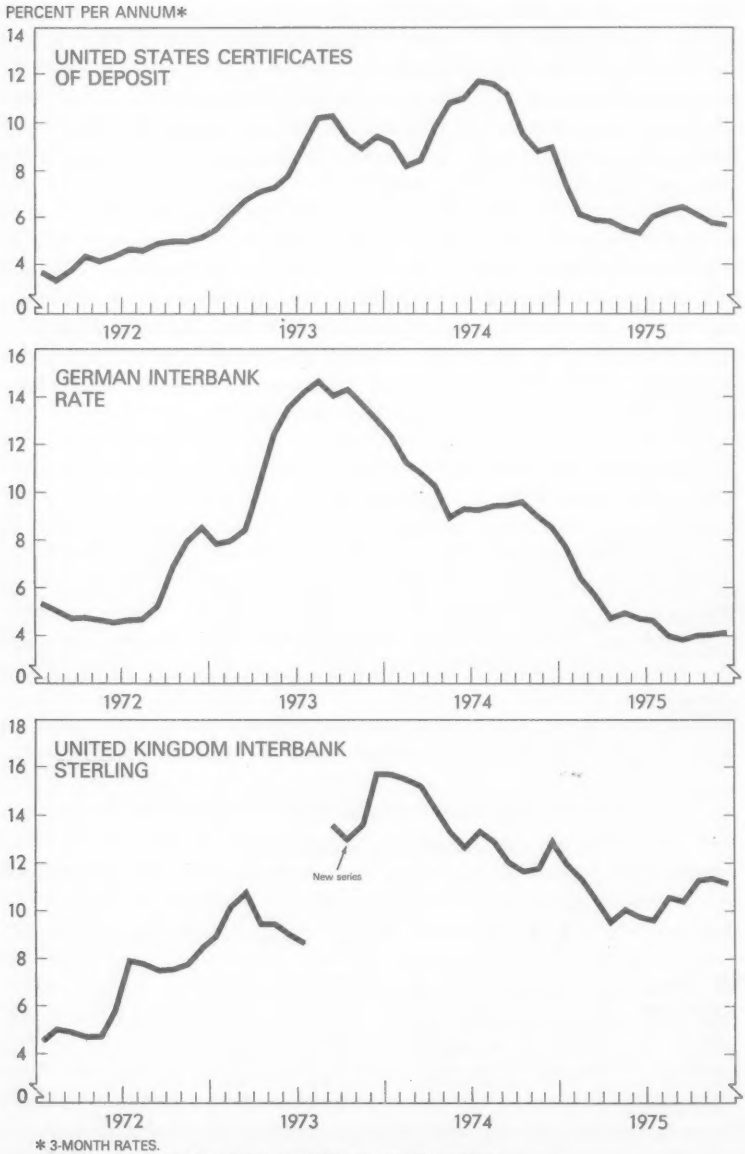
Chart 3

Interest Rates



* 3-MONTH RATES.
SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

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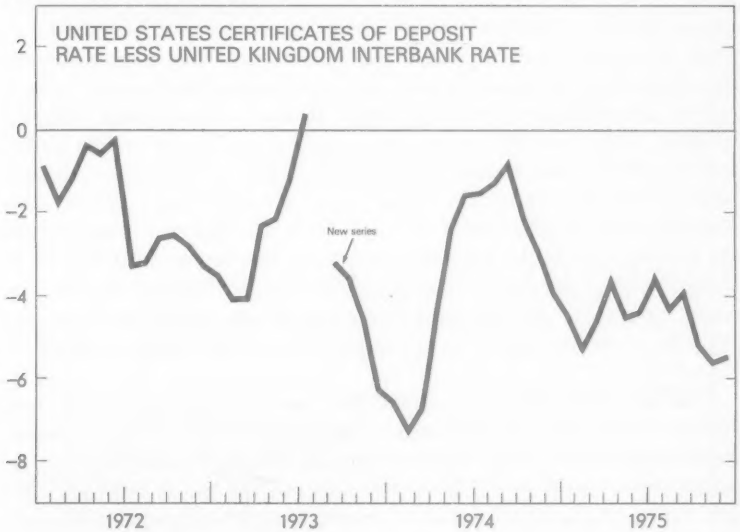
Interest Rate Differentials

PERCENTAGE POINT DIFFERENCE *



PERCENTAGE POINT DIFFERENCE *

* DIFFERENCE IN 3-MONTH RATES.
SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

Private capital transactions in the U.S. balance of payments registered sizable outflows in the first half of the year. U.S. banks increased their foreign assets by about $7½ billion, reflecting in part relatively low interest rates in the United States, and in part heavy loan demand of some foreign countries, largely LDCs. The volume of new foreign bonds issued in the United States reached record rates, reflecting to some extent extraordinary financing requirements of international agencies. But these outflows were partly offset by rising foreign purchases of U.S. corporate stocks, including sizable purchases by oil-producing countries. In the third quarter, as U.S. interest rates rose relative to rates abroad, there was some reduction in banks' acquisition of foreign assets, and the net flow of private capital was inward. The final quarter brought a resumption of net outflows through banks, as well as a sizable net outflow through transactions in securities, as placements of foreign bonds in the U.S. market, including a large issue by the International Bank for Reconstruction and Development (IBRD) more than matched a continued high volume of foreign purchases of U.S. corporate stocks. For the year as a whole net private capital outflows were probably somewhat above the net outflow of over $10 billion reported for 1974.

Reflecting these changes in capital flows and the large surplus on trade account, noted above, the exchange value of the dollar, in terms of a trade-weighted average of major foreign currencies, first depreciated by about 4½ percent between the end of December 1974 and the end of February 1975 and then appreciated by about 12 percent from March through September 1975. During the fourth quarter of 1975 the dollar rate changed very little, drifting down by about one-half of 1 percent.

The swing in the exchange value of some individual currencies against the dollar was of course greater than is reflected in the weighted average value. In particular, movements of the European currencies against the dollar were very wide. For example, against the European currencies linked in the "snake" arrangement, the dollar depreciated by about 6 percent from the end of December 1974 to its low early in March 1975, rose by 17½ percent to its September high, and depreciated again by 2½ percent to year-end (Chart 5).

Even though governments on the whole allowed market forces to move exchange rates rather widely, there appears to have been a considerable amount of intervention by foreign banks, particularly during the second half of the year. Gross intervention by the Federal Reserve, however, has been very limited. In order to avoid disorderly conditions and to lessen the danger of unwanted and self-defeating actions which might lead to competitive currency depreciations or other international policy conflicts, national governments recognized the need to intensify international consultation on these matters. As part of the broader international monetary negotiations, the United States and France reached an understanding at the time of the Economic Summit regarding a shared position on amendments to the Arti-

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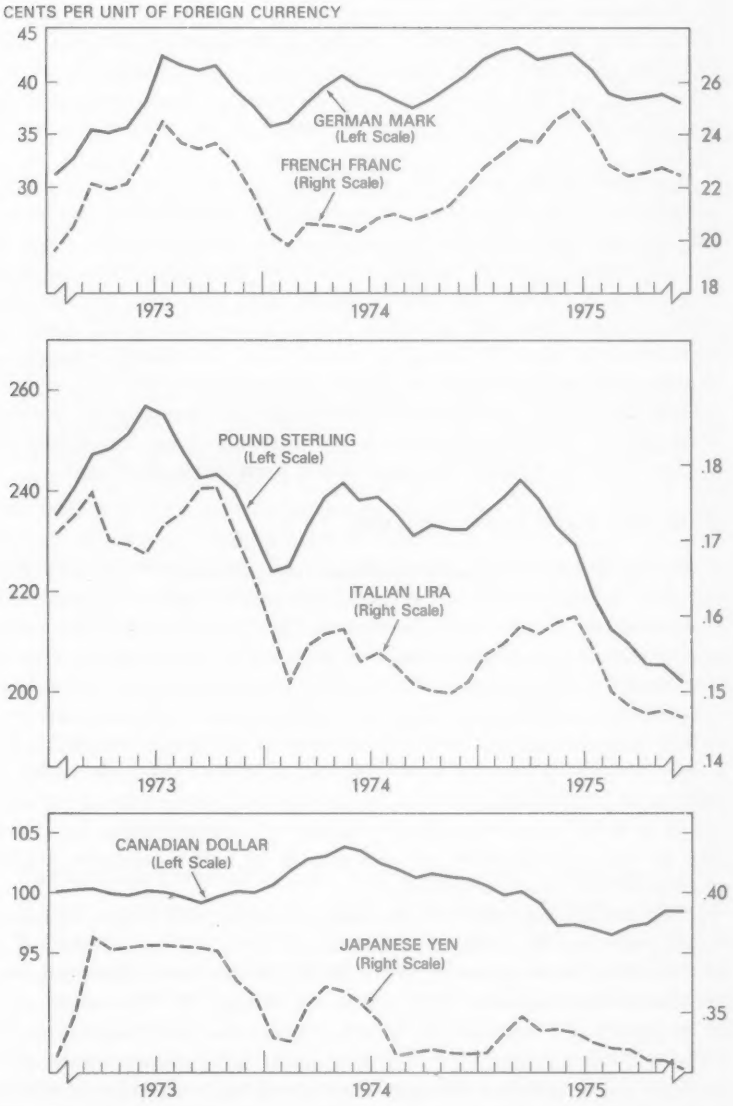
Chart 5

Foreign Exchange Rates



SOURCE: BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

cles of Agreement of the IMF dealing with the exchange rate regime. This facilitated agreement by the Interim Committee of the IMF in January 1976 on the entire package of amendments to the IMF's Articles of Agreement which had been pending since agreement on certain parts was reached at the time of the Interim Committee meeting in August 1975. The main elements of this package, in addition to amendment of the Article dealing with exchange rates, are a 33.6 percent increase in the Fund's resources to SDR 39 billion as decided in the Sixth Quota Review; the phasing out of gold with regard to Fund transactions and other gold arrangements; and the establishment of a Trust Fund for the benefit of the poorer members of the IMF.

Agreement on the outstanding IMF issues does much to help assure the adequacy of international financing arrangements in the face of the continuing large payment surpluses of the oil-exporting countries. As economic recoveries broaden, current account positions of the oil-importing countries as a group will move into greater deficit. This shift may put financing strains on some countries and might lead to policies that could arrest the recoveries or be mutually damaging in other ways. It is therefore important to ensure that safeguards are in place to prevent unavoidable financial difficulties from being compounded by internationally inappropriate policies. Therefore the cooperative international spirit underlying the agreements reached at the meetings in January 1976 is particularly significant.

EXCHANGE RATE ARRANGEMENTS

The agreement on amended exchange rate provisions of the IMF Articles, first worked out between the United States and France and subsequently accepted by the Interim Committee of the IMF, recognizes that the underlying economic and financial situation determines the degree of exchange rate stability that is possible. Participating members agree to endeavor to direct their economic and financial policies toward the achievement of orderly economic growth with reasonable price stability, to recognize that orderly underlying economic and financial conditions are prerequisites to stability, to avoid manipulating exchange rates or the international monetary system in order to prevent effective balance of payments adjustment or to gain an unfair competitive advantage, and to follow exchange policies compatible with these undertakings.

When formally approved by 60 percent of the member countries representing 80 percent of the votes, these general provisions will be incorporated in amended Articles of Agreement of the IMF. The agreement allows countries to choose among exchange arrangements, including: (1) The maintenance by a member of a value for its currency in terms of the Special Drawing Right or another denominator other than gold; or (2) cooperative arrangements by which members maintain the value of their currencies in relation to the value of the currency or currencies of other members; or (3) other exchange arrangements of a member's choice.

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The revised Articles would authorize the Fund, upon approval by an 85 percent majority vote, to establish a system of exchange arrangements based on stable but adjustable par values when international economic conditions are appropriate. In effect such a system could not be established without the approval of the United States, which under the proposed new quotas will have approximately 20 percent of the voting strength. As far as the United States is concerned, for the foreseeable future it is thought unlikely that conditions will be appropriate for the establishment of a par value system or the setting of target rates and zones or bands within which movements in the rate of the dollar would be contained. Policies aim at achieving stable economic conditions. However, progress toward narrowing disparities among inflation rates in different countries is slow, nor can one be sure that progress once made will be lasting. Exogenous shocks to which the various economies continue to be subject also argue for a considerable degree of flexibility in the monetary system. Central bank intervention will be limited to that necessary to counter disorderly conditions or erratic fluctuations. Each country will be the judge of what constitutes an erratic fluctuation in its exchange rate.

To facilitate the achievement of internationally cooperative behavior in exchange markets, the French and the U.S. authorities have suggested an intensification of the consultative arrangements among governments and central banks of major countries. Central bank officials will exchange daily information on the foreign exchange market and their intervention activities. Finance ministry and central bank officials will at frequent intervals review exchange rate movements and intervention activities, and discuss both the underlying economic and financial conditions and the impact of policies on these conditions. Under these arrangements there may be somewhat more frequent intervention than in the past. But the main point is that decisions on intervention in exchange markets will be based on better information, and that a growing understanding may also develop which recognizes that managing the exchange rate rather than the economy may only serve to introduce disequilibria and lead to misallocation of resources.

GOLD ARRANGEMENTS

The agreement reached on gold consists of four major elements:

1. Gold no longer will be a medium of settlement in IMF transactions.
2. One-sixth of the gold holdings of the IMF will be restituted to members, that is distributed to members in proportion to their quotas.
3. One-sixth of the gold holdings of the IMF will be sold at auction over a period of 4 years to finance a Trust Fund for the benefit of the poorer members of the IMF.
4. An agreement that will be reviewed after a 2-year period has been concluded by the 10 largest industrial countries. It bars any action to peg the price of gold and provides that the total stock of gold held by

the Fund and the monetary authorities of the participating countries will not be increased. Other countries may also adhere to this agreement.

The agreements on gold reflect general acceptance of the agreed upon objective to reduce the role of gold in the international monetary system. In addition, with the scheduled sale of some of the IMF's gold holdings for the purpose of financing the Trust Fund, gold may be expected to begin—gradually—to move out of the monetary system into private hands.

Some observers have argued that these new agreements may lead to a revaluation of official gold holdings at market-related prices or encourage more frequent use of gold as a medium for settlement among central banks. It is further argued that this, combined with the distribution of IMF gold to members, will have the effect of making more gold available to major countries, thus giving them greater liquidity, and perhaps adding to world inflationary pressures and reducing the likelihood that additional allocations of SDRs would be approved.

However, central banks have had the ability for some time to sell their gold holdings in the market as well as to value such holdings at market-related prices. Only one foreign central bank has actually written up its gold reserves, and there is no indication that others intend to do so. Moreover there also is no reason to expect the agreements to result in significant transactions in gold among monetary authorities. Indeed, by abolishing the official price for gold in the IMF, by strengthening the prospect of future sales of officially held gold into the market, and by establishing transitional provisions against pegging of the price, these agreements should in fact discourage widespread revaluations of official gold holdings and increase the risks associated with transactions among monetary authorities.

With the phasing of gold out of international official transactions, the danger that some authorities might seek to stabilize the price of gold is much diminished. In addition, authorities attempting to peg the price of gold, despite agreement among major countries not to do so, would find that such an effort could be exorbitantly expensive in terms of foreign currency assets needed for such operations. The cost would be higher, the smaller the number of participants.

Finally, the increases in world credit during the past several years have made it unlikely that new SDRs will be issued in the near future. Therefore, the restitution provision has been welcomed by some of the lesser developed countries which will receive 28 percent (their quota share) of the amounts to be distributed. In addition, the gold arrangements make possible the establishment of the Trust Fund, which is of crucial importance to the poorest developing countries, particularly now that the Oil Facility in the IMF is being terminated. Moreover a large number of LDCs will not make any nominal contribution to the Trust Fund, but will have that part of the profits on the gold sales by the IMF that represents their quota share in the Trust Fund distributed to them directly. Thus of the 25 million

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ounces of gold to be sold by the IMF, the profits on perhaps 6–7 million will go directly to LDCs, and those on 18–19 million will be used for the Trust Fund.

INTERNATIONAL FINANCIAL RESOURCES

In some sense a very important aspect of the completion of the arduous negotiations on exchange rate and gold arrangements is that the agreement on quota increases can now go forward. Such an increase in the general resources of the IMF is particularly important at this time because of the possible increase in external financing strains which some countries may face in the years ahead.

For the period necessary to ratify the scheduled quota increases, it was agreed that general access to the IMF's resources be temporarily liberalized by permitting a 45 percent increase in drawings in all credit tranches. This decision increases the general availability of IMF credit, but to the extent that it applies to the first credit tranches, it makes available a larger amount of resources that can be drawn upon freely without any, or at any rate with only a few, conditions attached. To that extent it will be necessary to guard against a possible inflationay impact. The temporary liberalization of access to IMF credit exceeds the scheduled quota increase and, thereby, should help smooth the continuing financial repercussions of the recession in the immediate future. By the time the permanent increase in IMF resources is in place, this exceptional bridging support should no longer be necessary.

For the industrial countries the IMF resources will be supplemented by the agreement reached last spring to establish a mutual Financial Support Fund among members of the OECD. This fund is designed to backstop traditional sources of financing and is to come into use only when financing is not available at reasonable rates through other channels. Drawings upon the Support Fund will be conditional upon the pursuit of appropriate domestic and international economic policies and upon progress toward increased conservation and production of energy. Thus, the Fund effectively constitutes an effort by industrialized oil consumers to insure against too great a bilateral financial dependence upon oil producers and to guard against protectionist or divisive measures designed to improve external payments positions at the expense of others. To the extent that it prevents member countries from taking restrictive payments measures, and more generally by contributing to an improved world economic outlook, the Fund would also be of help to nonmember countries.

For the poorer among the LDCs, the establishment of the Trust Fund in the IMF is of great importance, as noted above. Of potential help to a broader spectrum of LDCs is the decision to liberalize significantly the IMF's compensatory financing facility. Under this facility the IMF provides balance of payments support in amounts additional to normal IMF credit available to member countries who are experiencing a shortfall in export

earnings for reasons beyond their control. The IMF's buffer stock facility, which assists countries in balance of payments need that have made contributions to international buffer stocks, is also being modestly liberalized.

THE CURRENT FINANCIAL POSITION OF THE NON-OIL LDCs

The difficulties experienced by LDCs in adjusting to the higher price of oil have been compounded by the depth of the recession that the oil price increases themselves helped to produce. So far, the financing of the large payments deficits which the non-oil LDCs have been incurring since 1973 has been managed with considerably less strain than was feared. Consequently actual expenditures requiring foreign currencies have been curtailed considerably less than was expected. The combined deficit on goods and services of the non-oil LDCs in 1975 is estimated at approximately $35 billion. Total financing requirements, however, would be in the $40– to $45–billion range, since scheduled debt amortization must be added. These requirements were partly met by official aid flows and financing available through the IMF's Oil Facility. Through mid-1975 most LDCs were able to finance the remainder with little recourse to their first-line resources. Reserves, which had grown by very large amounts during the 1972–73 commodity inflation, and conditional IMF resources were not drawn on to any considerable extent. In addition to official aid flows, the main financing came from bank lending and trade credits, an indication that a large number of these countries have maintained their credit worthiness in the view of private lenders. Many LDCs seem to have preferred bank borrowing because a rundown of their reserves or IMF resources might have eroded their credit standing.

In 1976 the overall position of the non-oil LDCs could improve somewhat (Table 43). The recession caused the external balances of the industrial countries to move from large deficits toward surplus in 1975, and the counterpart of these changes was to be found in deteriorating payments positions of the developing countries. In 1976 this pattern should be partially reversed as the recovery proceeds. The earnings of non-oil LDCs may therefore begin to rise once more and could well rise faster than imports. The non-oil LDCs as a group have lagged behind the industrial countries in the cycle; and many began to take deflationary, or import-reducing, measures only sometime during 1975. Thus imports in 1976 may show little, if any, growth. Accordingly, financing requirements for the year may be in the $30- to $33-billion range on a goods and services basis, and in the $35- to $40–billion range when debt amortization is taken into account.

Private market sources still appear to be willing to increase their lending to a number of these countries. Although their debt burden has grown considerably in nominal terms since 1973, inflation has reduced their real debt position. Consequently debt burdens, in real terms, may not be too far from their level of 1972 or thereabouts.

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The fact that financial disaster or drastic cutbacks in development plans and economic growth have so far been avoided in the larger number of non-oil LDCs does not mean that their situation can be viewed with equanimity. Some countries' financial positions are indeed precarious. Considerable amounts of official aid will be necessary, particularly since their problems are likely to be compounded over time. But such aid should be conditional upon the adoption of appropriate policies that will allow existing growth potential to come fully into play. For the remaining countries the outlook is more encouraging, partly because of their natural endowment, partly because of efficient domestic management, and other reasons. For these countries, the increase in official financial resources currently being put in place, in addition to their access to private financing, may well suffice. The need is clear, however, to assure that these financing facilities are promptly accessible.

The Extended Fund Facility of the IMF is already in place. This facility provides considerably more liberal financing possibilities in connection with programs aiming at major structural changes than the regular IMF resources do, both in terms of amounts and in terms of maturities of loans available. In addition, the Trust Fund will become operational early this year, as will the liberalization of the IMF's compensatory financing and buffer stock facilities discussed above. These facilities and the enlarged access to regular resources of the IMF represent important safeguards against financing problems that may arise in 1976.

EARNINGS STABILIZATION AND COMMODITY ARRANGEMENTS

In part because of the financial problems created by the higher oil prices and the waning of the commodity boom of 1972–73, developing countries have forcefully attempted to focus the world's attention on their longer-run problems. LDC demands stem mainly from a desire to maintain or increase the purchasing power of their export earnings and to receive increased aid flows from richer countries. In certain matters, the interests of LDCs and industrial countries clearly coincide. The large fluctuations in prices for primary products disrupt LDCs' development plans and compound inflationary problems in the industrial countries. In addition, greater earnings stability in the commodity area would help the investment climate and thereby contribute to adequacy of supply. In recognition of these facts the liberalization of the compensatory financing and the buffer stock facilities in the IMF, noted above, have been agreed upon.

As part of its approach to commodity problems, the United States has expressed willingness to discuss commodity agreements case by case. U.S. objectives are to arrive at agreements which reduce excessive price swings without raising commodity prices above their long-term market trends and without significantly weakening the functioning of market forces. In line with

these objectives, the U.S. view is that production controls and export restrictions should be avoided, because they create supply rigidities and longer-run market distortions and because they result in misallocation of resources and excessive costs to consumers.

The current approach to earnings stabilization problems relies on financing arrangements through the IMF which help smooth shortfalls in export earnings and on joint producer-consumer efforts to contain cyclical price fluctuations through buffer stock arrangements. Past attempts at using buffer stocks generally have foundered upon the inadequate size of such stocks, the high costs of holding inventory, and breakdowns in agreements among members on operating the stocks. Some of these drawbacks were due in part to the fact that the direct cost was carried by producers. The current approach, which brings producers and consumers together, perhaps carries a better promise for success than past buffer stock programs, in terms of both setting more realistic stock disposal rules and attempting to provide sufficient safeguards to protect consumers from a situation where average prices over the cycle are significantly higher than competitive market prices would have been.

The general and specific problems relating to commodity issues are being discussed in various international forums. One of the major issues that continues to be pressed by the LDCs is some provision to link their export prices to changes in prices for manufactured goods. These "indexation" proposals need to be opposed on various grounds. First, efficient use of economic resources depends upon the smooth functioning of the price mechanism. If relative prices were frozen, misallocation of resources would inevitably result. Second, because such arrangements tend to result in selling prices that are higher than market forces would bring about, they impart an inflationary bias to the international economic system. Therefore, earnings stabilization schemes can better be implemented through the more market-oriented ways discussed above, and any transfer of resources to the poorer countries can better be accomplished through official aid channels.

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Appendix A

REPORT TO THE PRESIDENT ON THE ACTIVITIES OF THE COUNCIL OF ECONOMIC ADVISERS DURING 1975

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LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS,
Washington, D.C., December 31, 1975.

THE PRESIDENT:

Sir: The Council of Economic Advisers submits this report on its activities during the calendar year 1975 in accordance with the requirements of the Congress, as set forth in Section 4(d) of the Employment Act of 1946.

Respectfully,

ALAN GREENSPAN, *Chairman.*
PAUL W. MACAVOY.
BURTON G. MALKIEL.

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Report to the President on the Activities of the Council of Economic Advisers During 1975

The Council of Economic Advisers was established by the Employment Act of 1946 to provide economic analysis and advice to the President and thus to assist him in the development and evaluation of economic policies.

Alan Greenspan served as Chairman of the Council during 1975. On June 13, 1975, Paul W. MacAvoy became a Member of the Council, succeeding Gary L. Seevers, who left the Council on April 15, 1975. Mr. Seevers, who became a Member in July 1973, is at present a Commissioner of the Commodity Futures Trading Commission. Mr. MacAvoy is on leave of absence from the Massachusetts Institute of Technology, where he is Henry R. Luce Professor of Public Policy.

On July 22, 1975, Burton G. Malkiel became a Member of the Council, filling a vacancy created by the departure of William J. Fellner, who left

Past Council Members and their dates of service are listed below

Name	Position	Oath of office date	Separation date
Edwin G. Nourse	Chairman	August 9, 1946	November 1, 1949.
Leon H. Keyserling	Vice Chairman	August 9, 1946	
	Acting Chairman	November 2, 1949	
	Chairman	May 10, 1950	January 20, 1953.
John D. Clark	Member	August 9, 1946	
	Vice Chairman	May 10, 1950	February 11, 1953.
Roy Blough	Member	June 29, 1950	August 20, 1952.
Robert C. Turner	Member	September 8, 1952	January 20, 1953.
Arthur F. Burns	Chairman	March 19, 1953	December 1, 1956.
Neil H. Jacoby	Member	September 15, 1953	February 9, 1955.
Walter W. Stewart	Member	December 2, 1953	April 29, 1955.
Raymond J. Saulnier	Member	April 4, 1955	
	Chairman	December 3, 1956	January 20, 1961.
Joseph S. Davis	Member	May 2, 1955	October 31, 1958.
Paul W. McCracken	Member	December 3, 1956	January 31, 1959.
Karl Brandt	Member	November 1, 1958	January 20, 1961.
Henry C. Wallich	Member	May 7, 1959	January 20, 1961.
Walter W. Heller	Chairman	January 29, 1961	November 15, 1964.
James Tobin	Member	January 29, 1961	July 31, 1962.
Kermit Gordon	Member	January 29, 1961	December 27, 1962.
Gardner Ackley	Member	August 3, 1962	
	Chairman	November 16, 1964	February 15, 1968.
John P. Lewis	Member	May 17, 1963	August 31, 1964.
Otto Eckstein	Member	September 2, 1964	February 1, 1966.
Arthur M. Okun	Member	November 16, 1964	
	Chairman	February 15, 1968	January 20, 1969.
James S. Duesenberry	Member	February 2, 1966	June 30, 1968.
Merton J. Peck	Member	February 15, 1968	January 20, 1969.
Warren L. Smith	Member	July 1, 1968	January 20, 1969.
Paul W. McCracken	Chairman	February 4, 1969	December 31, 1971.
Hendrik S. Houthakker	Member	February 4, 1969	July 15, 1971.
Herbert Stein	Member	February 4, 1969	
	Chairman	January 1, 1972	August 31, 1974.
Ezra Solomon	Member	September 9, 1971	March 26, 1973.
Marina v.N. Whitman	Member	March 13, 1972	August 15, 1973.
Gary L. Seevers	Member	July 23, 1973	April 15, 1975.
William J. Fellner	Member	October 31, 1973	February 25, 1975.

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the Council on February 25 to return to the American Enterprise Institute, where he is Resident Scholar. Mr. Malkiel is on leave of absence from Princeton University, where he is Gordon S. Rentschler Memorial Professor of Economics.

RESPONSIBILITIES OF THE COUNCIL

The principal directive of the Employment Act is that the Federal Government "use all practicable means consistent with its needs and obligations . . . for the purpose of creating and maintaining . . . conditions . . . to promote maximum employment, production, and purchasing power."

The basic responsibility of the Council of Economic Advisers is the analysis of economic problems and the interpretation of trends and changes in the economy to assist the President in the development and evaluation of national economic policies. The Council prepares regular reports on current economic conditions and forecasts of future economic developments, and its recommendations are considered in the formulation of economic policy.

The Council also performs a direct advisory role both within the Executive Office of the President and through participation in interagency groups in which representatives of various departments, agencies, and offices in the executive branch evaluate current programs and consider and develop new ones. The scope of its efforts covers a wide range of economic problems which come before the Office of the President.

During 1975 the Council and its staff contributed to the study of many different economic issues. The analysis of current developments in business activity and the evaluation of alternative macroeconomic and energy policies were an important part of the Council's work last year. The Council also participated in the analysis of future capital requirements; foreign economic conditions, and international financial developments; issues and proposals regarding agriculture and food policy, agricultural exports, and commodity trade policies; measures to improve the functioning of the labor markets and to alleviate the impact of the recession; measures and programs to support housing construction and to stimulate investment in the public utility industry; alternative proposals to deal with a wide range of energy issues and problems; transportation problems and policies; policy proposals in regulatory reform; proposals for more effective health insurance, income maintenance, and social insurance systems; and measures to improve the Government's economic statistics.

Early each year the President submits the *Economic Report of the President* to the Congress as required by the Employment Act. The Council assumes major responsibility for the preparation of this *Report,* which together with the Annual Report of the Council of Economic Advisers reviews the progress of the economy over the past year and outlines the Administration's policies and programs.

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The Chairman is a member of the Economic Policy Board and of its Executive Committee. This Board was formed in October 1974 to direct the formulation, coordination, and implementation of economic policy. The Executive Committee, which serves as the focal point for economic policy making, meets daily to address current issues of economic policy. It is chaired by the Secretary of the Treasury and consists of the Chairman of the Council of Economic Advisers, the Director of the Office of Management and Budget, the Secretary of State, the Secretary of Commerce, the Secretary of Labor, the Executive Director of the Council on International Economic Policy, and the Assistant to the President for Economic Affairs, who is the Executive Director of both the Economic Policy Board and its Executive Committee. The Executive Committee, often augmented by the Chairman of the Board of Governors of the Federal Reserve System, meets regularly with the President to review economic conditions, makes recommendations, and discusses possible changes in economic policy.

The Chairman of the Council is a member of the Executive Committee of the President's Energy Resources Council, which was instituted in October 1974 to formulate and coordinate energy policy. The Chairman also heads the U.S. delegation to the Economic Policy Committee of the Organization for Economic Cooperation and Development and serves as vice chairman of the Committee. Council Members and staff economists attend meetings of various working parties of the Committee during the year.

The review and analysis of the overall performance of the economy is conducted and coordinated through a series of "Troika" working groups, comprising representatives of the Council, the Treasury, and the Office of Management and Budget. At regular intervals economists from these agencies evaluate recent economic performance and formulate economic forecasts which are then reviewed by a second group, chaired by a Council Member and including a representative of the Treasury and the Office of Management and Budget. The analysis and projections are finally reviewed and cleared through the Chairman of the Council for presentation and consideration by the Executive Committee of the Economic Policy Board.

The Council has initiated a series of quarterly meetings at which leading economists are invited to present their views on the economy and economic policy to the Executive Committee of the Economic Policy Board. Three of these meetings were held in 1975. The economists who attended included Gardner Ackley (University of Michigan), Henry L. Duncombe (General Motors), Otto Eckstein (Harvard University), Robert E. Hall (Massachusetts Institute of Technology), Walter W. Heller (University of Minnesota), Hendrik S. Houthakker (Harvard University), Albert G. Matamoros (Armstrong Cork Company), Paul W. McCracken (University of Michigan), James Meigs (Claremont College), Allan H. Meltzer (Carnegie-Mellon University), William D. Nordhaus (Yale University), Arthur M. Okun

(The Brookings Institution), Leif Olsen (First National City Bank, New York), William Poole (Brown University), Albert E. Rees (Princeton University), Paul Samuelson (Massachusetts Institute of Technology), Herbert Stein (University of Virginia), James Tobin (Yale University), and Marina v.N. Whitman (University of Pittsburgh).

"A Study of Fixed Capital Requirements of the U.S. Business Economy, 1971–1980" was prepared for the Council of Economic Advisers under the direction of Beatrice N. Vaccara, Associate Director for National Analysis and Projections of the Department of Commerce. The results of this study are used in this *Report,* and the entire study is available from the Bureau of Economic Analysis of the Department of Commerce.

The Joint Economic Committee (JEC), like the Council, was created by the Employment Act of 1946 to make a continuing study of matters relating to the economy and to submit its own report and recommendations to the Congress. During 1975 the Chairman and Council Members appeared before the JEC five times. The Chairman and the Council also presented testimony before the Budget Committees of the House and Senate on a number of occasions during the year and appeared before a number of other committees of the Congress to discuss budgetary, energy, and other related issues.

The Annual Report of the Council of Economic Advisers, contained in the *Economic Report of the President,* is the main vehicle through which the Council informs the public of its work and its views. It presents a comprehensive review and analysis of economic conditions, forecasts, and projections for the coming year, as well as an explanation of the Administration's economic policy. In recent years about 50,000 copies of the *Economic Report* have been distributed. The Council also presents its views on current economic problems and developments through occasional press briefings, testimony before various congressional committees, and speeches and papers presented by the Chairman and the Members of the Council. The Council also assumes primary responsibility for the monthly publication *Economic Indicators.* It is prepared by the Council's Statistical Office under the direction of Frances M. James and issued by the Joint Economic Committee with a distribution of about 10,000 copies.

ORGANIZATION AND STAFF OF THE COUNCIL

OFFICE OF THE CHAIRMAN

The Chairman is responsible for communicating the Council's views to the President. This duty is performed both through discussions with the President and through regular reports on economic developments. The Chairman also represents the Council at Cabinet meetings and at many other formal and informal meetings of Government officials. He exercises ultimate responsibility for directing the work of the professional staff.

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COUNCIL MEMBERS

The Council Members directly supervise the work of the staff, are responsible for all subject matter covered by the Council, and represent the Council at numerous meetings, where they assume major responsibility for the Council's involvement. Whenever the Chairman is absent from Washington, one of the Council Members becomes Acting Chairman.

In practice the Chairman and the Council Members work as a team. For operational reasons, however, subject matter is divided informally between the Council Members. Mr. Malkiel is responsible for analysis of business conditions, short-term forecasting, and matters related to monetary and fiscal policy; international trade and finance; manpower employment and developments in the labor market; financial markets; housing; taxation; and social security. Mr. Malkiel is the Chairman of the second-level Troika group and also of the Economic Policy Board's subcommittee on improving economic statistics. Mr. MacAvoy's responsibility encompasses energy; natural resources and commodity trade issues; food and agriculture; health, education, and welfare; environmental problems; transportation; regulated industries; and antitrust questions. He is Chairman of the Economic Policy Board's Food Deputies Group and co-Chairman of the Domestic Council Group on Regulatory Reform.

PROFESSIONAL STAFF

At the end of 1975 the professional staff and their special fields of economic analysis were:

Senior Staff Economists

Barry R. Chiswick	Labor and Human Resources
John D. Darroch	Prices and Industry Studies
John M. Davis, Jr.	Special Assistant to the Chairman
George M. von Furstenberg	Fiscal Policy, Public Finance, Housing, and Capital Formation
Bruce L. Gardner	Agriculture and Food
R. Jeffery Green	Econometrics and Forecasting
Helen B. Junz	International Finance and Trade
June A. O'Neill	Labor and Human Resources
Frederick M. Peterson	Economic Analysis, Environment, and Technology
Milton Russell	Energy Analysis and Policy
John L. Scadding	Monetary Policy, Financial Institutions, Capital Markets, and Interest Rates

Statisticians

Frances M. James	Senior Staff Statistician
Catherine H. Furlong	Statistician

Staff Economists

Doral S. Cooper	International Trade and Finance
David C. Munro	Business Conditions, Analysis, and Forecasting
Rosemary Quintano	Economic Analysis, Prices, and Forecasting

Junior Staff Economists

David W. Brazell	Monetary Policy and Environment
David B. Crary	Monetary Policy and Financial Markets
James W. Moser	Labor and Human Resources
Joan M. Porter	Econometrics and Forecasting
Valerie Sarris	Public Finance and Energy
J. W. Henry Watson	Regulated Industries and Transportation
Paul C. Westcott	Economic Analysis, Agriculture, and Transportation

Frances M. James, Senior Staff Statistician, is in charge of the Statistical Office and manages the Council's economic and statistical information system. She supervises the publication of *Economic Indicators* and the preparation of tables and charts for the *Economic Report* and for the Council's work. She also directs the fact checking of memoranda, testimony, and speeches. Catherine H. Furlong, Dorothy Bagovich, and Natalie Rentfro assist Miss James.

During the summer James R. Golden (U.S. Military Academy) was a member of the professional staff. Robert S. Dohner (Massachusetts Institute of Technology) assisted the Council in the preparation of the *Report*. The Council conducts a program under which student interns are appointed for temporary periods. The summer intern for 1975 was Robert E. Berry (University of Virginia).

A large number of economists provided professional assistance or served as consultants to the Council. These included Alan S. Blinder (Princeton University), William H. Branson (Princeton University), Murray F. Foss (National Bureau of Economic Research), Roger W. Gray (Stanford University), Hendrik S. Houthakker (Harvard University), Lawrence R. Klein (University of Pennsylvania), Myron S. Scholes (University of Chicago), Herbert Stein (University of Virginia), Susan M. Wachter (University of Pennsylvania), and Marina v.N. Whitman (University of Pittsburgh).

In preparing the *Economic Report* the Council relied upon the editorial assistance of Rosannah C. Steinhoff. Special assistance in connection with the *Report* was also furnished by Dorothy L. Reid, a former member of the Council staff.

SUPPORTING STAFF

The Administrative Office provides administrative support for the entire Council staff which includes preparation and analysis of the Council's budget; procurement of equipment and supplies; responding to letters and inquiries from the general public; and distribution of Council speeches, reports, and congressional testimony. The Administrative Office consisted of Nancy F. Skidmore, Elizabeth A. Kaminski, and Bettye T. Siegel. The duplicating, mail, and messenger department was operated by James W. Gatling, Frank C. Norman, and Jerry W. Gatling.

Serving on the secretarial staff for the Chairman and Council Members during 1975 were Anne V. Jackson, Joyce A. Pilkerton, Patricia A. Lee,

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Alice H. Williams, and Margaret A. Bocek. Secretaries for the professional staff included Mary C. Fibich, Dorothy L. Green, Bessie M. Lafakis, Earnestine Reid, Linda A. Reilly, Margaret L. Snyder, and Lillie M. Sturniolo.

DEPARTURES

The Council's professional staff members are drawn primarily from universities and research institutions. Murray F. Foss, who served with the Council for 6 years, retired from Government service in 1975 to take up new duties as a Senior Research Associate with the National Bureau of Economic Research, Washington. Other senior staff economists who resigned during the year were Joseph G. Kvasnicka (Federal Reserve Bank, Chicago), James C. Miller III (Council on Wage and Price Stability), Allan G. Pulsipher (Southern Illinois University), G. Edward Schuh (Purdue University), and J. Richard Zecher (Tulane University).

Junior economists who resigned in 1975 were Joseph P. Kalt (University of California, Los Angeles), Leroy O. Laney (Department of the Treasury), Robert J. Schanzmeyer (Rice University), and Robert S. Stillman (University of California, Los Angeles). Other resignations included James H. Ayres, Administrative Officer, Ruth Ann Butler, secretary, and Mary P. Kane, research assistant.

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Appendix B

STATISTICAL TABLES RELATING TO INCOME, EMPLOYMENT, AND PRODUCTION

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General Notes

Detail in these tables may not add to totals because of rounding.

Unless otherwise noted, all dollar figures are in current dollars.

See Economic Report 1972 for data for intervening years not shown here, except as noted below.

The national income and product accounts data shown in these tables are the revised series to be published in the "Survey of Current Business," January 1976. Data for 1929–45 usually shown in these tables are not yet available for the revised series.

Symbols used:

p Preliminary.

-- Not available (also, not applicable).

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NATIONAL INCOME OR EXPENDITURE

TABLE B–1.—*Gross national product or expenditure, 1946–75*

[Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross national product	Personal consumption expenditures [1]	Gross private domestic investment [2]	Net exports of goods and services			Government purchases of goods and services [3]					Percent change from preceding period, gross national product [5]
				Net exports	Exports	Imports	Total	Federal			State and local	
								Total	National defense [4]	Nondefense		
1946	209.6	143.8	30.7	7.6	14.8	7.2	27.5	17.6	14.8	2.8	9.9	------
1947	232.8	161.7	34.0	11.6	19.8	8.2	25.5	12.7	9.0	3.7	12.8	11.1
1948	259.1	174.7	45.9	6.5	16.9	10.4	32.0	16.7	10.7	6.0	15.3	11.3
1949	258.0	178.1	35.3	6.2	15.9	9.6	38.4	20.4	13.2	7.2	18.0	—.4
1950	286.2	192.0	53.8	1.9	13.9	12.0	38.5	18.7	14.0	4.7	19.8	10.9
1951	330.2	207.1	59.2	3.8	18.9	15.1	60.1	38.3	33.5	4.8	21.8	15.4
1952	347.2	217.1	52.1	2.4	18.2	15.8	75.6	52.4	45.8	6.5	23.2	5.1
1953	366.1	229.7	53.3	.6	17.1	16.6	82.5	57.5	48.6	8.9	25.0	5.5
1954	366.3	235.8	52.7	2.0	18.0	16.0	75.8	47.9	41.1	6.8	27.8	.0
1955	399.3	253.7	68.4	2.2	20.0	17.8	75.0	44.5	38.4	6.0	30.6	9.0
1956	420.7	266.0	71.0	4.3	23.9	19.6	79.4	45.9	40.2	5.7	33.5	5.4
1957	442.8	280.4	69.2	6.1	26.7	20.7	87.1	50.0	44.0	5.9	37.1	5.2
1958	448.9	289.5	61.9	2.5	23.3	20.8	95.0	53.9	45.6	8.3	41.1	1.4
1959	486.5	310.8	77.6	.6	23.7	23.2	97.6	53.9	45.6	8.3	43.7	8.4
1960	506.0	324.9	76.4	4.4	27.6	23.2	100.3	53.7	44.5	9.3	46.5	4.0
1961	523.3	335.0	74.3	5.8	28.9	23.1	108.2	57.4	47.0	10.4	50.8	3.4
1962	563.8	355.2	85.2	5.4	30.6	25.2	118.0	63.7	51.1	12.7	54.3	7.7
1963	594.7	374.6	90.2	6.3	32.7	26.4	123.7	64.6	50.3	14.3	59.0	5.5
1964	635.7	400.4	96.6	8.9	37.4	28.4	129.8	65.2	49.0	16.2	64.6	6.9
1965	688.1	430.2	112.0	7.6	39.5	32.0	138.4	67.3	49.4	17.8	71.1	8.2
1966	753.0	464.8	124.5	5.1	42.8	37.7	158.7	78.8	60.3	18.5	79.8	9.4
1967	796.3	490.4	120.8	4.9	45.6	40.6	180.2	90.9	71.5	19.5	89.3	5.8
1968	868.5	535.9	131.5	2.3	49.9	47.7	198.7	98.0	76.9	21.2	100.7	9.1
1969	935.5	579.7	146.2	1.8	54.7	52.9	207.9	97.5	76.3	21.2	110.4	7.7
1970	982.4	618.8	140.8	3.9	62.5	58.5	218.9	95.6	73.5	22.1	123.2	5.0
1971	1,063.4	668.2	160.0	1.6	65.6	64.0	233.7	96.2	70.2	26.0	137.5	8.2
1972	1,171.1	733.0	188.3	—3.3	72.7	75.9	253.1	102.1	73.5	28.6	151.0	10.1
1973	1,306.3	808.5	220.5	7.4	101.5	94.2	269.9	102.0	73.4	28.6	168.0	11.5
1974	1,406.9	885.9	212.2	7.7	144.2	136.5	301.1	111.7	77.4	34.3	189.4	7.7
1975 r	1,499.0	963.2	183.3	21.5	147.3	125.8	330.9	123.1	84.0	39.2	207.8	6.5
1973: I	1,265.0	785.7	211.7	2.0	89.4	87.4	265.7	104.1	74.0	30.1	161.6	15.8
II	1,287.8	800.5	217.1	4.5	96.6	92.1	265.7	99.9	73.0	27.0	165.8	7.4
III	1,319.7	818.4	221.2	10.2	105.2	95.0	270.0	100.0	72.3	27.6	170.0	10.3
IV	1,352.7	829.5	231.9	12.8	114.9	102.0	278.4	104.0	74.2	29.8	174.5	10.4
1974: I	1,370.9	849.5	218.4	15.6	133.1	117.5	287.5	106.1	74.8	31.4	181.4	5.5
II	1,391.0	877.8	212.7	4.0	141.6	137.6	296.5	108.9	75.8	33.0	187.6	6.0
III	1,424.4	907.7	207.6	3.2	148.6	145.5	305.9	113.6	78.4	35.1	192.3	9.9
IV	1,441.3	908.4	210.3	8.2	153.6	145.3	314.4	118.2	80.5	37.7	196.3	4.8
1975: I	1,433.6	926.4	168.7	17.3	148.2	130.9	321.2	119.4	81.4	38.0	201.9	—2.1
II	1,460.6	950.3	161.4	24.2	140.7	116.4	324.7	119.2	82.1	37.1	205.5	7.7
III	1,528.5	977.4	194.9	22.1	148.5	126.4	334.1	124.2	84.9	39.3	209.9	19.9
IV p	1,573.2	998.7	208.3	22.4	151.9	129.4	343.8	129.8	87.4	42.3	214.1	12.2

[1] See Table B–16 for detailed components.
[2] See Table B–9 for detailed components.
[3] Net of Government sales.
[4] This category corresponds closely to the national defense classification in "The Budget of the United States Government, Fiscal Year 1977."
[5] Changes are based on unrounded data and therefore may differ slightly from those obtained from data shown here.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–2.—*Gross national product or expenditure in 1972 dollars, 1946–75*

[Billions of 1972 dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross national product	Personal consumption expenditures				Gross private domestic investment				
		Total	Durable goods	Nondurable goods	Services	Total	Fixed investment			
							Total	Nonresidential		
								Total	Structures	Producers' durable equipment
1946	475.7	301.4	25.8	158.9	116.7	71.0	58.8	42.0	18.8	23.2
1947	468.3	306.2	30.6	154.8	120.8	70.1	70.4	48.9	17.3	31.6
1948	487.7	312.8	33.1	155.0	124.6	82.3	76.8	51.0	18.4	32.7
1949	490.7	320.0	36.3	157.4	126.4	65.6	70.0	46.0	17.8	28.2
1950	533.5	338.1	43.4	161.8	132.8	93.7	83.2	50.0	19.1	30.9
1951	576.5	342.3	39.9	165.3	137.1	94.1	80.4	52.9	20.6	32.3
1952	598.5	350.9	38.9	171.2	140.8	83.2	78.9	52.1	20.6	31.5
1953	621.8	364.2	43.1	175.7	145.5	85.6	84.1	56.3	22.5	33.8
1954	613.7	370.9	43.5	177.0	150.4	83.4	85.6	55.4	23.5	31.8
1955	654.8	395.1	52.2	185.4	157.5	104.1	96.3	61.2	25.3	35.9
1956	668.8	406.3	49.8	191.6	164.9	102.9	97.1	65.2	28.1	37.1
1957	680.9	414.7	49.7	194.9	170.2	97.2	95.7	66.0	28.1	37.9
1958	679.5	419.0	46.4	196.8	175.8	87.7	89.6	58.9	26.4	32.5
1959	720.4	441.5	51.8	205.0	184.7	107.4	101.0	62.9	26.8	36.1
1960	736.8	453.0	52.5	208.2	192.3	105.8	101.0	66.0	28.8	37.2
1961	755.3	462.2	50.3	211.9	200.0	103.6	100.7	65.6	29.3	36.3
1962	799.1	482.9	55.7	218.5	208.7	117.4	109.3	70.9	30.8	40.1
1963	830.7	501.4	60.7	223.0	217.6	124.5	116.8	73.5	30.8	42.7
1964	874.4	528.7	65.7	233.3	229.7	132.1	124.8	81.0	33.3	47.7
1965	925.9	558.1	73.4	244.0	240.7	150.1	138.8	95.6	39.6	56.0
1966	981.0	586.1	79.0	255.5	251.6	161.3	144.6	106.1	42.5	63.6
1967	1,007.7	603.2	79.7	259.5	264.0	152.7	140.7	103.5	41.1	62.4
1968	1,051.8	633.4	88.2	270.2	275.0	159.5	150.8	108.0	42.0	66.1
1969	1,078.8	655.4	91.9	276.4	287.2	168.0	157.5	114.3	44.0	70.3
1970	1,075.3	668.9	88.9	282.7	297.3	154.7	150.4	110.0	42.8	67.2
1971	1,107.5	691.9	98.1	287.5	306.3	166.8	160.2	108.0	41.7	66.3
1972	1,171.1	733.0	111.2	299.3	322.4	188.3	178.8	116.8	42.5	74.3
1973	1,233.4	766.3	120.9	309.6	335.8	207.4	191.4	131.3	45.3	85.9
1974	1,210.7	759.8	112.5	303.0	344.4	180.0	172.2	127.5	42.7	84.9
1975 p	1,186.4	766.6	109.3	306.9	350.4	138.9	149.0	112.4	37.1	75.3
1973: I	1,227.7	765.8	124.0	310.6	331.2	205.0	193.2	128.6	44.4	84.3
II	1,228.4	766.2	122.7	308.2	335.3	206.1	192.5	130.2	44.7	85.6
III	1,236.5	770.5	121.2	311.4	337.9	206.0	191.8	132.4	46.2	86.2
IV	1,240.9	762.8	115.7	308.3	338.9	212.6	188.2	133.9	46.2	87.7
1974: I	1,228.7	760.0	114.7	304.5	340.8	195.9	183.6	134.5	46.1	88.4
II	1,217.2	763.2	115.5	303.8	343.9	183.8	177.0	129.9	43.5	86.3
III	1,210.2	767.2	116.8	304.7	345.7	173.2	169.0	125.0	40.6	84.4
IV	1,186.8	748.9	102.9	298.9	347.2	166.9	159.3	120.8	40.5	80.3
1975: I	1,158.6	752.3	104.0	300.8	347.5	129.7	148.7	115.2	38.9	76.3
II	1,168.1	764.1	106.5	306.9	350.8	124.1	144.8	110.8	36.2	74.7
III	1,201.5	771.6	112.3	308.0	351.2	147.8	148.7	110.6	36.2	74.5
IV p	1,217.4	778.2	114.5	311.8	351.9	153.9	153.7	113.0	37.3	75.7

See footnotes at end of table.

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TABLE B–2.—*Gross national product or expenditure in 1972 dollars, 1946–75*—Continued

[Billions of 1972 dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross private domestic investment—continued					Net exports of goods and services			Government purchases of goods and services [1]			Percent change from preceding period, gross national product [2]
	Fixed investment—continued				Change in business inventories	Net exports	Exports	Imports	Total	Federal	State and local	
	Residential											
	Total	Nonfarm structures	Farm structures	Producers' durable equipment								
1946	16.8	15.5	1.1	0.2	12.2	11.6	26.1	14.6	91.8	57.0	34.8	
1947	21.5	19.8	1.3	.3	−.2	16.6	30.2	13.6	75.4	36.1	39.3	−1.6
1948	25.8	23.9	1.5	.3	5.5	8.5	24.2	15.7	84.1	42.4	41.8	4.1
1949	24.0	22.3	1.4	.3	−4.4	8.8	24.2	15.4	96.2	48.9	47.4	.6
1950	33.2	31.5	1.3	.3	10.6	4.0	21.7	17.7	97.7	47.0	50.7	8.7
1951	27.5	25.9	1.3	.3	13.7	7.4	25.9	18.5	132.7	81.3	51.3	8.1
1952	26.8	25.3	1.2	.3	4.3	4.9	24.9	20.0	159.5	107.0	52.5	3.8
1953	27.8	26.3	1.2	.3	1.5	2.0	23.8	21.8	170.0	114.6	55.4	3.9
1954	30.2	28.8	1.1	.3	−2.2	4.5	25.3	20.8	154.9	95.2	59.7	−1.3
1955	35.1	33.8	.9	.4	7.7	4.7	27.9	23.2	150.9	86.9	64.0	6.7
1956	31.9	30.4	1.0	.4	5.8	7.3	32.3	25.0	152.4	85.9	66.5	2.1
1957	29.7	28.3	1.0	.4	1.5	8.9	34.8	26.0	160.1	89.8	70.3	1.8
1958	30.6	29.2	.9	.5	−1.8	3.5	30.7	27.2	169.3	92.8	76.4	−.2
1959	38.1	36.5	1.0	.6	6.5	.9	31.5	30.6	170.7	91.8	78.9	6.0
1960	35.0	33.7	.8	.5	4.4	5.5	35.8	30.3	172.9	90.8	82.0	2.3
1961	35.1	33.6	1.0	.5	2.9	6.7	37.0	30.3	182.8	95.6	87.1	2.5
1962	38.4	36.9	.9	.6	8.1	5.8	39.6	33.9	193.1	103.1	90.0	5.8
1963	43.2	41.7	.9	.6	7.8	7.3	42.2	35.0	197.6	102.2	95.4	4.0
1964	43.8	42.2	.9	.7	7.3	10.9	47.8	36.9	202.7	100.6	102.1	5.3
1965	43.2	41.6	.8	.7	11.3	8.2	49.1	41.0	209.6	100.5	109.1	5.9
1966	38.5	36.9	.9	.8	16.7	4.3	51.6	47.3	229.3	112.5	116.8	5.9
1967	37.2	35.5	.9	.8	12.0	3.5	54.2	50.7	248.3	125.3	123.1	2.7
1968	42.8	41.1	.8	.9	8.7	−.4	58.5	58.9	259.2	128.3	130.9	4.4
1969	43.2	41.5	.9	.9	10.6	−1.3	62.2	63.5	256.7	121.8	134.9	2.6
1970	40.4	38.9	.6	.9	4.3	1.4	67.1	65.7	250.2	110.7	139.5	−.3
1971	52.2	50.5	.7	1.0	6.6	−.6	67.9	68.5	249.4	103.9	145.5	3.0
1972	62.0	60.3	.7	1.1	9.4	−3.3	72.7	75.9	253.1	102.1	151.0	5.7
1973	60.1	58.4	.5	1.2	16.0	7.2	87.6	80.4	252.5	96.1	156.3	5.3
1974	44.7	42.6	.8	1.3	7.7	16.6	97.6	81.0	254.3	95.0	159.3	−1.8
1975 p	36.6	35.0	.4	1.2	−10.1	23.5	90.4	66.9	257.4	94.2	163.2	−2.0
1973: I	64.5	62.7	.6	1.2	11.9	2.1	84.5	82.3	254.7	100.4	154.3	8.8
II	62.3	60.7	.4	1.2	13.6	5.6	86.7	81.1	250.5	94.9	155.5	.2
III	59.4	57.6	.5	1.2	14.2	8.9	88.4	79.5	251.1	94.2	156.9	2.7
IV	54.3	52.4	.6	1.2	24.4	12.1	90.7	78.6	253.5	94.9	158.5	1.4
1974: I	49.1	46.9	.9	1.3	12.4	18.7	98.1	79.5	254.0	94.7	159.3	−3.9
II	47.1	45.0	.7	1.3	6.8	15.3	99.5	84.2	255.0	94.7	160.2	−3.7
III	44.1	42.0	.7	1.3	4.2	15.1	96.9	81.9	254.7	95.7	159.0	−2.3
IV	38.5	36.4	.9	1.2	7.6	17.4	95.7	78.3	253.6	94.7	158.9	−7.5
1975: I	33.6	32.3	.3	1.0	−19.0	21.5	90.7	69.2	255.1	93.7	161.4	−9.2
II	34.0	32.4	.4	1.1	−20.7	24.9	86.8	62.0	254.9	92.4	162.5	3.3
III	38.0	36.2	.6	1.2	−.8	23.5	90.8	67.3	258.7	94.9	163.8	12.0
IV p	40.7	38.9	.5	1.2	.2	24.3	93.4	69.1	261.1	95.9	165.2	5.4

[1] Net of Government sales.
[2] Changes are based on unrounded data and therefore may differ slightly from those obtained from data shown here.

Source: Department of Commerce, Bureau of Economic Analysis.

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TABLE B–3.—*Implicit price deflators for gross national product, 1946–75*

[Index numbers, 1972=100, except as noted; quarterly data seasonally adjusted]

Year or quarter	Gross national product [1]	Personal consumption expenditures				Gross private domestic investment [1]			
						Fixed investment			
							Nonresidential		
		Total	Durable goods	Nondurable goods	Services	Total	Total	Structures	Producers' durable equipment
1946	44.06	47.7	61.1	52.1	38.9	41.3	39.9	36.3	42.8
1947	49.70	52.8	66.8	58.7	41.7	48.9	46.8	43.7	48.5
1948	53.13	55.9	69.1	62.3	44.4	53.6	51.3	48.4	52.9
1949	52.59	55.7	69.1	60.3	46.1	54.8	52.8	48.0	55.9
1950	53.64	56.8	70.8	60.7	47.4	56.5	54.3	48.8	57.6
1951	57.27	60.5	74.7	65.8	49.9	60.8	58.9	54.7	61.6
1952	58.00	61.9	74.8	66.6	52.6	62.1	59.9	55.8	62.5
1953	58.88	63.1	75.5	66.3	55.4	62.9	61.0	56.8	63.7
1954	59.69	63.6	73.2	66.6	57.2	63.4	61.4	55.9	65.4
1955	60.98	64.2	74.0	66.3	58.5	64.8	62.6	57.0	66.5
1956	62.90	65.5	76.0	67.3	60.2	68.3	67.0	61.8	71.0
1957	65.02	67.6	79.2	69.4	62.2	70.9	70.7	64.4	75.4
1958	66.06	69.1	79.4	71.0	64.2	70.8	70.6	63.3	76.5
1959	67.52	70.4	81.9	71.4	66.0	71.6	72.0	63.6	78.2
1960	68.67	71.7	82.1	72.6	68.0	71.9	72.2	63.1	79.3
1961	69.28	72.5	82.7	73.3	69.1	71.6	71.8	62.7	79.2
1962	70.55	73.6	83.9	73.9	70.4	72.0	72.3	63.0	79.4
1963	71.59	74.7	84.8	74.9	71.7	72.1	72.9	63.5	79.6
1964	72.71	75.7	85.7	75.8	72.8	72.8	73.6	64.4	80.1
1965	74.32	77.1	85.6	77.3	74.3	73.8	74.5	65.9	80.6
1966	76.76	79.3	85.7	80.1	76.5	76.2	76.8	68.8	82.1
1967	79.02	81.3	87.4	81.9	78.8	78.7	79.3	71.8	84.3
1968	82.57	84.6	90.7	85.3	82.0	82.1	82.6	75.3	87.3
1969	86.72	88.5	93.1	89.4	86.1	86.9	86.6	81.1	90.0
1970	91.36	92.5	95.5	93.6	90.5	91.1	91.3	88.0	93.4
1971	96.02	96.6	99.0	96.6	95.8	95.9	96.4	94.4	97.6
1972	100.00	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1973	105.92	105.5	101.7	108.0	104.6	106.0	104.0	108.0	101.8
1974	116.20	116.6	108.4	124.0	112.7	117.6	116.0	127.5	110.2
1975 p	126.35	125.6	116.8	133.6	121.4	132.6	132.3	141.7	127.7
1973: I	103.04	102.6	100.7	103.5	102.5	103.2	101.9	104.3	100.6
II	104.84	104.5	101.4	106.4	103.8	105.3	103.3	106.9	101.4
III	106.73	106.2	102.0	109.0	105.1	107.2	104.7	109.0	102.3
IV	109.01	108.8	102.8	113.1	106.9	108.5	106.0	111.5	103.0
1974: I	111.58	111.8	103.2	118.2	108.9	110.9	108.5	115.9	104.7
II	114.28	115.0	106.6	122.4	111.3	115.0	112.9	124.4	107.1
III	117.70	118.3	110.4	126.0	114.2	120.2	118.5	133.1	111.5
IV	121.45	121.3	114.0	129.5	116.4	125.4	125.0	138.3	118.3
1975: I	123.74	123.1	114.3	131.0	119.0	130.1	129.6	141.0	123.8
II	125.04	124.4	116.3	131.9	120.2	131.9	131.8	141.2	127.3
III	127.21	126.7	117.4	135.2	122.2	132.6	132.6	141.4	128.4
IV p	129.22	128.3	118.9	136.2	124.4	135.6	135.2	143.2	131.2

See footnotes at end of table.

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TABLE B–3.—*Implicit price deflators for gross national product, 1946–75*—Continued

[Index numbers, 1972=100, except as noted; quarterly data seasonally adjusted]

Year or quarter	Gross private domestic investment [1]—continued				Exports and imports of goods and services [1]		Government purchases of goods and services			Gross domestic product	Percent change from preceding period [2]	
	Fixed investment—continued											
	Residential											
	Total	Nonfarm structures	Farm structures	Producers' durable equipment	Exports	Imports	Total	Federal	State and local		Gross national product	Gross domestic product
1946	44.6	43.9	46.6	95.2	56.7	49.7	30.0	30.9	28.6	44.0		
1947	53.7	53.0	52.8	105.6	65.8	60.7	33.8	35.1	32.5	49.7	12.8	13.0
1948	58.1	57.5	57.3	111.5	69.8	66.1	38.0	39.4	36.6	53.1	6.9	6.8
1949	58.7	58.1	58.0	107.9	65.5	62.7	39.9	41.8	38.0	52.6	−1.0	−.9
1950	60.0	59.5	59.4	107.4	64.0	67.8	39.4	39.9	39.0	53.6	2.0	1.9
1951	64.4	63.8	63.8	114.9	73.1	81.8	45.3	47.1	42.4	57.2	6.8	6.7
1952	66.4	65.8	65.7	114.6	73.0	79.1	47.4	48.9	44.2	57.9	1.3	1.2
1953	66.9	66.3	66.2	114.2	71.9	75.8	48.5	50.2	45.1	58.8	1.5	1.6
1954	67.1	66.6	66.5	112.4	71.2	76.9	48.9	50.4	46.6	59.6	1.4	1.4
1955	68.7	68.2	68.3	109.1	71.8	76.8	49.7	51.1	47.8	60.9	2.2	2.2
1956	70.9	70.5	70.6	104.3	73.9	78.3	52.1	53.4	50.4	62.8	3.1	3.1
1957	71.3	70.8	70.9	103.4	76.4	79.5	54.4	55.7	52.8	65.0	3.4	3.5
1958	71.2	70.7	70.8	101.9	75.7	76.5	56.1	58.1	53.8	66.0	1.6	1.5
1959	71.0	70.6	70.8	101.8	75.4	75.7	57.2	58.7	55.4	67.5	2.2	2.3
1960	71.4	70.9	71.2	100.8	77.1	76.7	58.0	59.1	56.8	68.6	1.7	1.6
1961	71.3	70.9	70.7	99.1	78.0	76.1	59.2	60.0	58.3	69.2	.9	.9
1962	71.5	71.1	71.3	96.8	77.3	74.5	61.1	61.8	60.3	70.5	1.8	1.9
1963	70.9	70.5	70.7	95.3	77.5	75.6	62.6	63.3	61.9	71.6	1.5	1.6
1964	71.2	70.8	71.0	94.3	78.3	77.1	64.0	64.8	63.3	72.7	1.6	1.5
1965	72.3	72.0	72.3	92.1	80.5	78.0	66.0	67.0	65.1	74.3	2.2	2.2
1966	74.6	74.2	74.3	90.8	82.8	79.7	69.2	70.1	68.4	76.8	3.3	3.4
1967	77.0	76.7	76.7	91.0	84.0	80.1	72.6	72.6	72.5	79.0	2.9	2.9
1968	80.7	80.4	80.5	93.2	85.3	80.9	76.7	76.4	76.9	82.6	4.5	4.6
1969	87.7	87.5	87.5	95.2	87.9	83.3	81.0	80.0	81.9	86.8	5.0	5.1
1970	90.6	90.4	90.5	97.5	93.1	89.1	87.5	86.4	88.3	91.4	5.4	5.3
1971	94.9	94.8	95.0	99.3	96.6	93.5	93.7	92.6	94.5	96.0	5.1	5.0
1972	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	4.1	4.2
1973	110.6	110.8	110.7	100.3	116.0	117.1	106.9	106.1	107.5	105.8	5.9	5.8
1974	122.1	122.6	122.9	105.4	147.8	168.6	118.4	117.6	118.9	115.7	9.7	9.4
1975 p	133.5	134.1	133.7	116.3	162.9	188.0	128.5	130.6	127.3	126.0	8.7	8.9
1973: I	105.8	105.9	105.8	100.0	105.8	106.2	104.3	103.6	104.8	103.0	6.5	6.5
II	109.7	109.9	109.2	100.2	111.5	113.6	106.1	105.3	106.6	104.8	7.2	7.0
III	112.9	113.1	112.8	100.3	119.0	119.5	107.5	106.1	108.3	106.7	7.4	7.4
IV	114.9	115.2	114.9	100.6	126.7	129.8	109.8	109.5	110.0	108.9	8.8	8.6
1974: I	117.4	117.9	117.8	101.4	135.6	147.9	113.2	112.1	113.8	111.2	9.8	8.7
II	120.7	121.2	120.9	103.3	142.3	163.4	116.3	114.9	117.1	113.8	10.0	9.8
III	124.9	125.4	125.4	106.8	153.4	177.7	120.1	118.6	121.0	117.1	12.5	12.2
IV	126.7	127.2	127.1	110.8	160.4	185.6	124.0	124.8	123.6	120.9	13.4	13.5
1975: I	131.6	132.2	134.4	113.8	163.5	189.1	125.9	127.3	125.1	123.4	7.8	8.5
II	132.3	132.9	132.2	115.5	162.0	187.8	127.3	128.9	126.4	124.7	4.3	4.3
III	132.5	133.0	133.0	116.8	163.6	187.8	129.2	130.9	128.2	126.8	7.1	7.1
IV p	137.0	137.6	137.4	118.6	162.7	187.3	131.7	135.3	129.6	128.9	6.5	6.6

[1] Separate deflators are not available for gross private domestic investment, change in business inventories, and net exports of goods and services.

[2] Changes are based on unrounded data and therefore may differ slightly from those obtained from data shown here. Quarterly data are at annual rates.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–4.—*Gross national product by major type of product, 1946–75*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross national product	Final sales	Inventory change	Goods output									Services	Structures	Auto output
				Total			Durable goods			Nondurable goods					
				Total	Final sales	Inventory change	Total	Final sales	Inventory change	Total	Final sales	Inventory change			
1946	209.6	203.2	6.4	125.3	118.9	6.4	37.2	31.8	5.3	88.1	87.1	1.1	68.6	15.7	----
1947	232.8	233.2	−.5	139.8	140.3	−.5	45.8	44.1	1.7	94.0	96.2	−2.2	71.3	21.7	7.3
1948	259.1	254.4	4.7	154.4	149.7	4.7	47.6	46.9	.7	106.7	102.8	4.0	76.7	28.0	8.9
1949	258.0	261.1	−3.1	147.7	150.8	−3.1	46.2	48.3	−2.1	101.5	102.5	−1.0	81.9	28.4	12.0
1950	286.2	279.4	6.8	162.4	155.6	6.8	58.8	54.7	4.1	103.6	100.9	2.7	88.2	35.6	15.5
1951	330.2	319.9	10.3	189.5	179.2	10.3	69.5	62.5	6.9	120.0	116.7	3.4	102.9	37.8	13.4
1952	347.2	344.0	3.1	194.6	191.5	3.1	68.7	67.6	1.1	125.9	123.9	2.0	113.1	39.4	12.2
1953	366.1	365.7	.4	203.1	202.7	.4	72.4	71.5	.9	130.8	131.2	−.5	121.0	42.0	16.3
1954	366.3	367.8	−1.5	196.1	197.6	−1.5	66.4	69.0	−2.5	129.6	128.7	1.0	125.7	44.5	14.9
1955	399.3	393.3	6.0	214.5	208.5	6.0	81.3	78.2	3.0	133.2	130.3	2.9	135.3	49.5	21.5
1956	420.7	416.0	4.7	223.3	218.6	4.7	85.1	82.3	2.8	138.1	136.3	1.9	145.2	52.2	17.2
1957	442.8	441.4	1.3	232.3	231.0	1.3	88.5	87.3	1.3	143.7	143.7	.0	157.5	53.0	19.6
1958	448.9	450.4	−1.5	228.2	229.7	−1.5	77.7	80.5	−2.8	150.5	149.2	1.3	166.9	53.8	14.6
1959	486.5	481.2	5.2	247.4	242.2	5.2	90.1	87.4	2.7	157.4	154.8	2.5	179.5	59.5	19.6
1960	506.0	502.2	3.8	254.3	250.6	3.8	91.5	89.1	2.4	162.8	161.4	1.4	193.2	58.4	21.6
1961	523.3	521.1	2.2	256.5	254.3	2.2	90.0	90.2	−.1	166.5	164.1	2.3	206.7	60.1	18.1
1962	563.8	557.3	6.5	278.0	271.5	6.5	102.0	98.4	3.6	176.1	173.2	2.9	221.5	64.3	22.9
1963	594.7	588.8	6.0	289.7	283.7	6.0	108.0	105.4	2.7	181.6	178.3	3.3	236.2	68.9	25.6
1964	635.7	629.9	5.8	309.0	303.2	5.8	118.9	115.0	3.9	190.1	188.2	1.9	254.4	72.4	26.5
1965	688.1	678.6	9.5	336.6	327.1	9.5	133.6	127.0	6.6	203.1	200.1	2.9	272.7	78.8	31.8
1966	753.0	738.7	14.3	373.9	359.6	14.3	149.1	139.0	10.0	224.9	220.6	4.3	297.7	81.4	31.1
1967	796.3	786.2	10.1	387.3	377.2	10.1	148.7	143.5	5.3	238.5	233.7	4.8	326.1	82.9	28.8
1968	868.5	860.8	7.7	418.9	411.2	7.7	162.4	157.4	5.0	256.5	253.8	2.8	356.6	93.0	36.6
1969	935.5	926.2	9.4	446.2	436.8	9.4	175.3	169.2	6.1	270.9	267.6	3.3	388.7	100.7	36.8
1970	982.4	978.6	3.8	456.2	452.4	3.8	170.8	170.7	.0	285.4	281.7	3.7	424.6	101.6	30.8
1971	1,063.4	1,057.1	6.4	479.8	473.5	6.4	181.6	179.8	1.8	298.3	293.7	4.6	465.5	118.1	42.0
1972	1,171.1	1,161.7	9.4	526.0	516.6	9.4	208.4	202.1	6.3	317.7	314.5	3.2	510.8	134.3	45.1
1973	1,306.3	1,288.8	17.5	599.8	582.3	17.5	239.1	228.8	10.3	360.7	353.5	7.2	559.5	147.0	51.1
1974	1,406.9	1,397.2	9.7	636.3	626.5	9.7	246.1	238.5	7.5	390.2	388.0	2.2	624.1	146.6	43.8
1975p	1,449.0	1,513.2	−14.2	677.3	691.5	−14.2	251.0	261.9	−10.9	426.3	429.6	−3.3	680.6	141.1	45.0
1973:															
I	1,265.0	1,252.6	12.4	578.0	565.6	12.4	233.3	226.5	6.8	344.7	339.0	5.6	540.8	146.3	54.6
II	1,287.8	1,273.5	14.3	588.2	573.9	14.3	237.7	228.2	9.5	350.5	345.6	4.9	552.7	147.0	53.3
III	1,319.7	1,304.1	15.6	605.3	589.7	15.6	241.6	230.2	11.4	363.7	359.5	4.2	565.8	148.6	48.7
IV	1,352.7	1,325.0	27.7	627.8	600.1	27.7	243.7	230.2	13.5	384.1	369.9	14.2	578.8	146.1	47.9
1974:															
I	1,370.9	1,356.1	14.9	622.8	607.9	14.9	238.0	231.4	6.7	384.7	376.6	8.2	602.1	146.1	39.0
II	1,391.0	1,381.7	9.3	629.9	620.6	9.3	240.4	237.7	2.7	389.5	383.0	6.5	612.0	149.1	42.9
III	1,424.4	1,420.0	4.4	644.6	640.2	4.4	251.7	245.8	5.9	393.0	394.4	−1.4	632.5	147.2	51.7
IV	1,441.3	1,430.9	10.4	647.7	637.3	10.4	254.1	239.3	14.9	393.6	398.0	−4.4	649.7	143.9	41.7
1975:															
I	1,433.6	1,458.4	−24.8	635.4	660.2	−24.8	229.2	243.8	−14.6	406.2	416.4	−10.2	659.3	138.9	35.1
II	1,460.6	1,490.2	−29.6	653.9	683.5	−29.6	243.3	258.8	−15.5	410.6	424.7	−14.1	672.0	134.6	42.9
III	1,528.5	1,530.6	−2.1	698.9	701.1	−2.1	261.9	267.5	−5.6	437.0	433.5	3.5	688.1	141.4	54.2
IVp	1,573.2	1,573.4	−.2	720.9	721.1	−.2	269.6	277.4	−7.8	451.3	443.7	7.7	702.7	149.6	47.7

Source: Department of Commerce, Bureau of Economic Analysis.

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TABLE B–5.—*Gross national product by major type of product in 1972 dollars, 1946–75*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross national product	Final sales	Inventory change	Goods output									Services	Structures	Auto output
				Total			Durable goods			Nondurable goods					
				Total	Final sales	Inventory change	Total	Final sales	Inventory change	Total	Final sales	Inventory change			
1946	475.7	463.5	12.2	238.0	225.8	12.2	71.3	60.5	10.8	166.7	165.3	1.3	197.7	40.0	.....
1947	468.3	468.5	−.2	236.8	237.0	−.2	76.7	74.9	1.8	160.1	162.1	−2.0	186.9	44.7	12.9
1948	487.7	482.2	5.5	244.2	238.7	5.5	77.1	75.6	1.5	167.1	163.1	4.0	190.9	52.5	14.7
1949	490.7	495.1	−4.4	239.9	244.3	−4.4	72.4	76.1	−3.7	167.5	168.2	−.8	197.0	53.7	18.9
1950	533.5	522.9	10.6	261.5	250.9	10.6	90.7	84.4	6.3	170.7	166.5	4.2	206.0	66.0	24.0
1951	576.5	562.8	13.7	283.1	269.4	13.7	102.4	92.6	9.8	180.7	176.8	3.9	229.0	64.4	20.4
1952	598.5	594.2	4.3	292.3	288.0	4.3	102.3	100.6	1.8	189.9	187.4	2.5	240.6	65.6	18.4
1953	621.8	620.3	1.5	306.9	305.4	1.5	107.3	105.9	1.4	199.6	199.5	.1	245.5	69.4	23.9
1954	613.7	615.8	−2.2	292.2	294.4	−2.2	98.1	101.7	−3.6	194.1	192.7	1.4	247.0	74.5	22.9
1955	654.8	647.1	7.7	316.3	308.6	7.7	117.1	112.9	4.2	199.2	195.7	3.5	257.6	80.9	31.3
1956	668.8	663.0	5.8	320.9	315.1	5.8	117.2	113.5	3.7	203.7	201.6	2.1	267.2	80.7	24.4
1957	680.9	679.4	1.5	321.8	320.3	1.5	116.1	114.6	1.5	205.7	205.6	.0	279.3	79.9	25.8
1958	679.5	681.3	−1.8	312.0	313.8	−1.8	101.4	104.8	−3.4	210.6	209.0	1.6	285.6	81.9	20.0
1959	720.4	714.0	6.5	332.5	326.1	6.5	113.8	110.6	3.3	218.7	215.5	3.2	298.0	89.9	24.7
1960	736.8	732.4	4.4	337.1	332.8	4.4	114.4	111.6	2.9	222.7	221.2	1.5	310.7	89.0	26.8
1961	755.3	752.4	2.9	338.1	335.2	2.9	112.5	112.6	−.1	225.6	222.7	3.0	325.5	91.7	22.6
1962	799.1	791.0	8.1	362.0	353.8	8.1	125.5	121.1	4.4	236.5	232.7	3.7	339.9	97.2	27.5
1963	830.7	823.0	7.8	373.0	365.2	7.8	131.8	128.4	3.4	241.1	236.8	4.3	354.0	103.8	30.3
1964	874.4	867.1	7.3	394.0	386.7	7.3	144.2	139.2	5.0	249.9	247.5	2.3	372.2	108.1	31.1
1965	925.9	914.6	11.3	421.5	410.2	11.3	160.6	152.6	8.0	261.0	257.7	3.3	389.1	115.3	37.4
1966	981.0	964.3	16.7	455.6	438.9	16.7	177.1	165.2	11.9	278.5	273.7	4.8	410.2	115.2	36.7
1967	1,007.7	995.7	12.0	461.9	449.9	12.0	173.0	166.6	6.4	288.9	283.3	5.6	432.7	113.1	33.5
1968	1,051.8	1,043.1	8.7	481.1	472.4	8.7	181.3	175.7	5.6	299.8	296.7	3.2	449.9	120.9	40.6
1969	1,078.8	1,068.2	10.6	492.3	481.7	10.6	190.1	183.3	6.8	302.2	298.4	3.7	465.4	121.1	40.0
1970	1,075.3	1,071.0	4.3	483.4	479.1	4.3	179.2	179.1	.1	304.2	300.0	4.2	477.2	114.6	32.5
1971	1,107.5	1,100.9	6.6	491.6	484.9	6.6	183.4	181.5	1.8	308.2	303.4	4.8	491.1	124.9	42.1
1972	1,171.1	1,161.7	9.4	526.0	516.6	9.4	208.4	202.1	6.2	317.7	314.5	3.2	510.8	134.3	45.1
1973	1,233.4	1,217.3	16.0	568.6	552.6	16.0	234.5	224.5	10.0	334.1	328.0	6.1	530.1	134.7	50.7
1974	1,210.7	1,203.0	7.7	549.9	542.2	7.7	223.5	217.7	5.8	326.5	324.5	1.9	544.7	116.1	40.2
1975[p]	1,186.4	1,196.5	−10.1	531.1	541.2	−10.1	203.7	211.7	−8.0	327.4	329.5	−2.1	553.9	101.4	39.5
1973:															
I	1,227.7	1,215.8	11.9	564.8	552.9	11.9	231.7	225.0	6.7	333.0	327.9	5.2	523.6	139.4	54.5
II	1,228.4	1,214.8	13.6	564.6	551.0	13.6	235.0	225.8	9.2	329.6	325.2	4.4	527.8	136.0	53.0
III	1,236.5	1,222.3	14.2	569.0	554.8	14.2	235.8	224.8	11.0	333.2	330.0	3.2	533.2	134.3	48.4
IV	1,240.9	1,216.5	24.4	576.1	551.7	24.4	235.5	222.6	12.9	340.6	329.2	11.5	535.8	129.0	46.9
1974:															
I	1,228.7	1,216.3	12.4	560.4	548.0	12.4	227.9	221.8	6.1	332.5	326.2	6.3	543.7	124.6	38.8
II	1,217.2	1,210.4	6.8	555.1	548.2	6.8	224.0	222.0	2.0	331.0	326.2	4.9	541.8	120.4	40.3
III	1,210.2	1,206.0	4.2	552.4	548.2	4.2	226.0	221.6	4.4	326.4	326.6	−.2	545.1	112.7	45.6
IV	1,186.8	1,179.3	7.6	531.9	524.4	7.6	215.9	205.2	10.7	316.1	319.2	−3.1	548.1	106.8	36.1
1975:															
I	1,158.6	1,177.6	−19.0	510.1	529.2	−19.0	191.6	203.4	−11.7	318.5	325.8	−7.3	548.1	100.4	32.1
II	1,168.1	1,188.7	−20.7	518.4	539.0	−20.7	198.2	209.7	−11.5	320.2	329.4	−9.2	552.5	97.2	38.0
III	1,201.5	1,202.4	−.8	542.7	543.5	−.8	210.7	214.3	−3.7	332.0	329.2	2.8	556.7	102.2	46.5
IV[p]	1,217.4	1,217.2	.2	553.3	553.1	.2	214.4	219.3	−4.9	338.9	333.8	5.1	558.2	106.0	41.3

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–6.—*Gross national product by sector, 1946–75*

[Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross national product	Gross domestic product									Rest of the world	Percent change from preceding period, gross domestic product [3]
		Total	Business				Households and institutions	Government [2]				
			Total	Nonfarm [1]	Farm	Statistical discrepancy		Total	Federal	State and local		
1946	209.6	209.0	183.8	164.2	18.9	0.7	4.5	20.8	14.6	6.2	0.5	
1947	232.8	231.8	210.0	188.0	20.2	1.8	5.1	16.7	9.4	7.3	.9	10.9
1948	259.1	257.9	234.9	212.7	23.3	−1.2	5.6	17.4	8.9	8.5	1.2	11.3
1949	258.0	256.9	231.5	211.7	18.8	1.0	5.9	19.4	10.0	9.4	1.1	−.4
1950	286.2	284.8	257.5	235.5	20.0	2.0	6.4	20.9	10.7	10.1	1.3	10.9
1951	330.2	328.7	294.4	267.4	22.9	4.0	6.9	27.4	16.2	11.2	1.5	15.4
1952	347.2	345.7	307.3	282.5	22.2	2.7	7.2	31.2	18.9	12.3	1.5	5.2
1953	366.1	364.6	324.9	301.2	20.3	3.3	7.8	31.9	18.6	13.3	1.5	5.5
1954	366.3	364.5	323.9	301.3	19.6	3.0	8.1	32.5	17.8	14.7	1.8	−.0
1955	399.3	397.3	354.0	332.8	18.8	2.5	9.1	34.2	18.4	15.8	2.0	9.0
1956	420.7	418.5	372.1	354.3	18.6	−.8	9.8	36.6	19.0	17.5	2.2	5.3
1957	442.8	440.5	390.8	372.3	18.4	.2	10.5	39.1	19.6	19.6	2.3	5.2
1958	448.9	446.6	393.1	370.7	20.7	1.7	11.4	42.1	20.5	21.6	2.2	1.4
1959	486.5	484.0	427.7	408.9	19.1	−.2	12.3	44.0	20.9	23.1	2.4	8.4
1960	506.0	503.5	442.5	423.0	20.2	−.7	13.8	47.1	21.7	25.5	2.5	4.0
1961	523.3	520.2	455.3	433.4	20.2	1.6	14.4	50.5	22.6	27.9	3.1	3.3
1962	563.8	560.2	490.4	465.9	20.5	4.0	15.5	54.3	24.1	30.2	3.6	7.7
1963	594.7	591.1	516.5	492.2	20.5	3.7	16.6	58.0	25.2	32.9	3.7	5.5
1964	635.7	631.4	550.7	529.2	19.3	2.2	17.8	62.9	27.0	35.9	4.4	6.8
1965	688.1	683.4	596.6	573.8	22.0	.9	19.2	67.6	28.3	39.3	4.7	8.2
1966	753.0	748.8	651.1	625.0	22.9	3.2	21.1	76.5	32.4	44.1	4.2	9.6
1967	796.3	791.8	682.7	658.8	22.2	1.7	23.9	85.1	35.6	49.5	4.6	5.7
1968	868.5	863.7	742.2	720.2	22.6	−.6	26.4	95.2	39.3	55.9	4.8	9.1
1969	935.5	931.1	798.1	776.2	25.2	−3.3	29.2	103.7	41.8	61.9	4.5	7.8
1970	982.4	977.8	831.5	807.6	25.9	−2.1	31.6	114.7	44.7	70.0	4.6	5.0
1971	1,063.4	1,056.8	896.9	867.9	27.7	1.3	34.7	125.2	46.8	78.5	6.6	8.1
1972	1,171.1	1,164.1	989.5	955.8	32.0	1.7	37.2	137.4	50.1	87.3	7.0	10.1
1973	1,306.3	1,297.3	1,107.8	1,057.0	50.4	.4	40.4	149.1	51.9	97.2	9.0	11.4
1974	1,406.9	1,392.5	1,186.6	1,138.7	48.5	−.6	44.8	161.1	54.7	106.4	14.4	7.3
1975 p	1,499.0	1,488.5	1,262.7	1,217.3	50.1	−4.6	49.5	176.3	58.8	117.4	10.5	6.9
1973: I	1,265.0	1,256.3	1,072.3	1,026.4	42.8	3.2	38.7	145.3	51.7	93.6	8.8	15.7
II	1,287.8	1,279.1	1,091.4	1,044.2	48.1	−.9	40.1	147.6	51.3	96.3	8.7	7.5
III	1,319.7	1,311.0	1,119.9	1,065.0	54.0	1.0	41.1	150.0	51.4	98.5	8.7	10.4
IV	1,352.7	1,342.8	1,147.3	1,092.3	56.8	−1.8	41.8	153.6	53.3	100.4	10.0	10.0
1974: I	1,370.9	1,353.9	1,154.3	1,105.1	55.4	−6.2	43.1	156.6	53.7	102.9	17.0	3.4
II	1,391.0	1,378.9	1,175.8	1,132.5	44.8	−1.6	44.1	159.0	53.8	105.2	12.1	7.6
III	1,424.4	1,410.6	1,203.1	1,155.6	45.1	2.4	45.6	161.9	54.3	107.6	13.7	9.5
IV	1,441.3	1,426.6	1,213.2	1,161.7	48.6	2.9	46.5	166.9	56.9	110.0	14.8	4.6
1975: I	1,433.6	1,424.0	1,205.5	1,162.9	45.8	−3.2	47.5	170.9	57.6	113.3	9.6	−.7
II	1,460.6	1,450.6	1,227.4	1,191.3	45.1	−8.9	48.7	174.5	58.1	116.4	10.0	7.7
III	1,528.5	1,516.9	1,289.2	1,237.5	55.0	−3.2	50.2	177.4	58.6	118.8	11.6	19.6
IV p	1,573.2	1,562.6	1,328.7	-------	54.4	-------	51.6	182.3	61.1	121.2	10.6	12.6

[1] Includes compensation of employees in government enterprises.
[2] Compensation of government employees.
[3] Changes are based on unrounded data and therefore may differ slightly from those obtained from data shown here. See table B–1 for percent changes in gross national product.

Source: Department of Commerce, Bureau of Economic Analysis.

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TABLE B–7.—*Gross national product by sector in 1972 dollars, 1946–75*

[Billions of 1972 dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross national product	Gross domestic product									Rest of the world	Percent change from preceding period, gross domestic product [4]
		Total	Business				Households and institutions	Government [3]				
			Total	Nonfarm [1]	Farm	Residual [2]		Total	Federal	State and local		
1946	475.7	474.6	383.7	356.6	25.8	1.4	15.1	75.8	49.7	26.1	1.1	
1947	468.3	466.7	392.8	365.6	23.9	3.3	16.0	57.9	29.8	28.1	1.6	−1.7
1948	487.7	485.9	411.2	387.5	25.7	−2.1	16.7	58.0	29.2	28.8	1.8	4.1
1949	490.7	488.8	409.4	382.0	25.5	1.8	17.3	62.2	31.3	30.9	1.9	.6
1950	533.5	531.5	448.6	418.2	26.9	3.5	18.3	64.6	32.7	31.9	1.9	8.7
1951	576.5	574.7	477.2	445.0	25.8	6.5	18.7	78.8	46.2	32.6	1.8	8.1
1952	598.5	596.7	492.8	462.2	26.3	4.3	18.6	85.3	51.6	33.7	1.8	3.8
1953	621.8	619.9	515.6	482.6	27.6	5.3	19.3	85.0	49.6	35.5	2.0	3.9
1954	613.7	611.4	508.0	474.9	28.3	4.7	19.4	83.9	47.2	36.7	2.3	−1.4
1955	654.8	652.2	546.5	513.5	29.2	3.8	21.4	84.4	45.9	38.4	2.5	6.7
1956	668.8	666.1	557.2	529.6	28.8	−1.2	22.5	86.5	45.6	40.8	2.7	2.1
1957	680.9	678.0	566.0	537.6	28.1	.3	23.1	88.9	45.8	43.1	2.9	1.8
1958	679.5	676.5	561.9	530.2	29.3	2.4	24.2	90.4	44.5	45.8	3.0	−.2
1959	720.4	717.3	600.5	572.6	28.2	−.3	24.9	91.8	44.5	47.3	3.2	6.0
1960	736.8	733.6	611.8	583.2	29.5	−.9	26.8	94.9	45.2	49.7	3.2	2.3
1961	755.3	751.2	625.6	593.8	29.6	2.2	27.2	98.5	46.2	52.3	4.1	2.4
1962	799.1	794.3	663.9	628.9	29.5	5.4	28.3	102.1	48.3	53.9	4.8	5.7
1963	830.7	825.8	692.0	657.1	30.0	5.0	29.0	104.8	48.2	56.6	4.9	4.0
1964	874.4	868.7	730.4	698.2	29.2	3.0	29.9	108.4	48.5	60.0	5.7	5.2
1965	925.9	919.9	776.4	745.2	30.1	1.2	31.1	112.4	48.7	63.6	6.1	5.9
1966	981.0	975.6	822.4	789.9	28.5	4.0	32.8	120.4	53.0	67.5	5.4	6.1
1967	1,007.7	1,001.9	839.8	808.0	29.6	2.1	34.8	127.2	57.2	70.0	5.8	2.7
1968	1,051.8	1,045.7	878.2	849.5	29.4	−.7	35.9	131.7	58.1	73.6	6.1	4.4
1969	1,078.8	1,073.1	901.5	875.2	29.9	−3.7	36.6	135.0	58.2	76.8	5.7	2.6
1970	1,075.3	1,069.8	898.3	869.4	31.1	−2.2	36.3	135.2	55.2	80.1	5.5	−.3
1971	1,107.5	1,100.3	927.6	893.4	32.8	1.4	36.6	136.0	52.5	83.5	7.2	2.9
1972	1,171.1	1,164.1	989.5	955.7	32.0	1.7	37.2	137.4	50.1	87.3	7.0	5.8
1973	1,233.4	1,225.7	1,049.1	1,015.6	33.2	.3	37.9	138.7	48.2	90.6	7.7	5.3
1974	1,210.7	1,203.7	1,024.4	993.5	31.5	−.5	38.5	140.8	47.9	92.9	7.0	−1.8
1975 p	1,186.4	1,181.6	997.3	965.9	35.1	−3.7	39.2	145.1	47.8	97.3	4.8	−1.8
1973: I	1,227.7	1,219.4	1,044.5	1,007.5	34.0	3.1	37.0	137.9	49.0	88.9	8.3	8.7
II	1,228.4	1,220.8	1,044.5	1,012.4	32.9	−.8	37.7	138.6	48.4	90.2	7.6	.5
III	1,236.5	1,229.2	1,052.0	1,019.8	31.3	.9	38.3	138.9	47.7	91.2	7.3	2.8
IV	1,240.9	1,233.4	1,055.2	1,022.5	34.5	−1.7	38.5	139.6	47.6	92.0	7.5	1.4
1974: I	1,228.7	1,218.0	1,039.7	1,013.7	31.5	−5.6	38.4	139.8	47.9	91.9	10.7	−4.9
II	1,217.2	1,211.9	1,033.1	1,002.9	31.6	−1.4	38.3	140.5	48.0	92.5	5.4	−2.0
III	1,210.2	1,204.6	1,024.7	991.8	31.0	2.0	38.8	141.1	48.0	93.1	5.6	−2.4
IV	1,186.8	1,180.3	1,000.1	965.8	31.9	2.4	38.4	141.8	47.9	94.0	6.5	−7.8
1975: I	1,158.6	1,154.3	972.1	939.6	35.0	−2.6	38.8	143.5	47.9	95.7	4.3	−8.5
II	1,168.1	1,163.5	979.5	954.3	32.3	−7.1	39.2	144.8	47.8	97.0	4.5	3.2
III	1,201.5	1,196.1	1,011.1	977.1	36.5	−2.5	39.4	145.7	47.8	97.8	5.4	11.7
IV p	1,217.4	1,212.6	1,026.8	.....	36.8	.....	39.5	146.3	47.7	98.7	4.9	5.6

[1] Includes compensation of employees in government enterprises. Data are preliminary.

[2] The difference between gross product in 1972 dollars measured as the sum of final products and that measured as the sum of gross product by industry. Data are preliminary.

[3] Compensation of government employees.

[4] Changes are based on unrounded data and therefore may differ from those obtained from data shown here. See table B–2 for percent changes in gross national product in 1972 dollars.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–8.—*Gross domestic product of nonfinancial corporate business, 1946–75*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product of nonfinancial corporate business	Capital consumption allowances with capital consumption adjustment	Net domestic product												
					Domestic income										
							Corporate profits with inventory valuation and capital consumption adjustments								
								Profits before tax		Profits after tax			Inventory valuation adjustment	Capital consumption adjustment	Net interest
			Total	Indirect business taxes plus transfer payments less subsidies	Total	Compensation of employees	Total	Total	Profits tax liability	Total	Dividends	Undistributed profits			
1946	99.3	7.3	92.1	10.1	81.9	67.2	14.1	22.0	8.6	13.4	5.1	8.3	−5.3	−2.7	0.7
1947	120.0	9.1	110.9	11.2	99.8	79.1	19.9	29.1	10.8	18.3	5.9	12.4	−5.9	−3.3	.8
1948	137.3	10.7	126.5	12.1	114.4	87.8	25.8	31.8	11.8	20.0	6.5	13.5	−2.2	−3.9	.9
1949	133.5	11.6	121.9	12.6	109.3	85.3	23.0	24.9	9.3	15.6	6.5	9.1	1.9	−3.8	1.0
1950	151.9	12.6	139.3	14.1	125.2	94.7	29.6	38.5	16.9	21.6	7.9	13.6	−5.0	−3.9	.9
1951	174.5	14.6	159.9	15.2	144.7	110.2	33.4	39.1	21.2	17.9	7.8	10.1	−1.2	−4.5	1.1
1952	182.3	15.7	166.7	16.8	149.8	118.3	30.3	33.8	17.8	16.0	7.8	8.1	1.0	−4.4	1.2
1953	195.0	17.0	178.1	18.2	159.9	128.7	29.9	34.9	18.5	16.4	8.0	8.4	−1.0	−4.0	1.3
1954	191.9	17.9	174.1	17.4	156.6	126.5	28.6	32.1	15.6	16.4	8.2	8.2	−.3	−3.2	1.6
1955	216.7	19.2	197.5	19.2	178.3	138.5	38.2	42.0	20.2	21.8	9.4	12.4	−1.7	−2.1	1.6
1956	231.6	21.5	210.1	20.8	189.2	151.4	36.1	41.8	20.1	21.8	10.1	11.6	−2.7	−3.0	1.7
1957	242.3	23.7	218.5	22.4	196.2	159.1	35.0	39.8	19.1	20.7	10.4	10.3	−1.5	−3.3	2.2
1958	236.3	24.9	211.4	22.8	188.6	155.9	30.1	33.7	16.2	17.5	10.2	7.3	−.3	−3.4	2.7
1959	265.7	26.0	239.7	25.4	214.4	171.6	39.7	43.1	20.7	22.3	10.8	11.5	−.5	−2.9	3.1
1960	277.3	27.0	250.3	28.3	222.0	181.1	37.4	39.5	19.2	20.3	11.5	8.7	.3	−2.3	3.5
1961	284.5	27.8	256.7	30.1	226.5	185.1	37.4	39.2	19.5	19.7	11.7	8.0	.1	−1.8	3.9
1962	311.0	28.7	282.3	33.0	249.2	199.8	44.9	43.7	20.6	23.1	12.7	10.3	.1	1.0	4.5
1963	330.9	29.8	301.1	35.6	265.6	210.7	50.0	48.3	22.8	25.5	14.1	11.4	−.2	1.9	4.8
1964	357.6	31.0	326.6	38.4	288.3	226.3	56.7	54.6	24.0	30.7	15.3	15.4	−.5	2.6	5.3
1965	392.1	32.8	359.3	41.1	318.2	246.1	66.1	64.4	27.2	37.2	17.2	20.0	−1.9	3.6	6.1
1966	430.7	35.7	394.9	42.9	352.0	273.5	71.2	69.5	29.5	40.0	18.1	21.9	−2.1	3.8	7.4
1967	452.9	39.3	413.6	45.8	367.9	291.9	67.2	65.4	27.7	37.7	18.9	18.8	−1.7	3.6	8.7
1968	498.4	43.0	455.4	51.6	403.8	321.6	72.1	71.9	33.6	38.3	20.7	17.6	−3.4	3.6	10.1
1969	541.8	47.8	494.0	57.1	437.0	357.4	66.4	68.4	33.3	35.1	20.7	14.4	−5.5	3.5	13.1
1970	560.6	53.1	507.5	61.8	445.7	377.1	51.6	55.1	27.3	27.9	19.9	8.0	−5.1	1.5	17.0
1971	602.5	58.2	544.2	68.2	476.0	399.4	58.7	63.3	29.9	33.3	20.0	13.3	−5.0	.5	17.9
1972	671.0	62.6	608.4	73.5	534.8	443.8	72.0	75.9	33.5	42.4	21.7	20.7	−6.6	2.7	19.1
1973	751.9	68.7	683.2	80.6	602.6	502.2	75.9	92.8	39.1	53.7	24.5	29.2	−18.4	1.6	24.5
1974	808.7	78.3	730.4	86.0	644.4	549.5	63.2	103.8	42.7	61.1	30.5	30.6	−38.5	−2.1	31.7
1975 p	866.1	89.5	776.5	93.1	683.4	568.5	80.7	97.7	37.3	60.4	30.8	29.6	−11.5	−5.6	34.3
1973:															
I	728.1	65.6	662.5	78.8	583.8	483.4	78.6	91.9	39.3	52.7	23.2	29.5	−15.8	2.5	21.8
II	742.6	67.7	675.0	80.3	594.7	496.0	75.3	93.8	39.7	54.1	23.9	30.1	−20.6	2.1	23.4
III	758.5	69.3	689.3	81.3	607.9	507.6	75.0	91.9	38.5	53.4	25.2	28.2	−17.9	1.0	25.3
IV	778.3	72.2	706.2	82.0	624.2	521.9	74.8	93.5	39.0	54.5	25.6	29.0	−19.5	.7	27.5
1974:															
I	786.2	74.1	712.1	83.0	629.1	531.9	68.1	96.7	39.7	57.0	26.5	30.5	−28.0	−.6	29.1
II	806.5	76.5	730.0	85.6	644.4	544.8	68.6	103.8	42.8	61.1	32.6	28.5	−33.7	−1.5	31.0
III	820.3	79.7	740.6	87.8	652.8	559.0	61.2	118.4	48.9	69.6	32.7	36.9	−54.7	−2.5	32.6
IV	821.8	83.1	738.7	87.5	651.2	562.3	54.8	96.3	39.4	56.9	30.4	26.5	−37.7	−3.8	34.0
1975:															
I	816.4	85.0	731.4	88.5	642.9	554.4	55.3	73.1	27.1	46.0	30.1	15.9	−13.7	−4.1	33.2
II	845.1	87.3	757.8	91.6	666.2	556.9	75.7	86.8	32.0	54.8	30.7	24.0	−6.6	−4.5	33.6
III	886.2	91.0	795.3	95.5	699.8	572.7	92.7	108.5	41.6	66.8	31.3	35.5	−9.9	−5.9	34.4
IV p	------	94.9	------	96.9	------	590.0	------	------	------	------	------	------	−15.8	−7.8	35.8

Source: Department of Commerce, Bureau of Economic Analysis.

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TABLE B–9.—*Gross private domestic investment, 1946–75*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross private domestic investment	Fixed investment										Change in business inventories	
		Total	Nonresidential					Residential				Total	Nonfarm
			Total	Structures		Producers' durable equipment		Total	Nonfarm structures	Farm structures	Producers' durable equipment		
				Total	Nonfarm	Total	Nonfarm						
1946	30.7	24.3	16.8	6.8	-------	9.9	-------	7.5	6.8	0.5	0.2	6.4	6.4
1947	34.0	34.4	22.9	7.6	-------	15.3	-------	11.5	10.5	.7	.3	−.5	1.3
1948	45.9	41.1	26.2	8.9	-------	17.3	-------	15.0	13.8	.9	.3	4.7	3.0
1949	35.3	38.4	24.3	8.6	-------	15.7	-------	14.1	12.9	.8	.3	−3.1	−2.2
1950	53.8	47.0	27.1	9.3	-------	17.8	-------	19.9	18.7	.8	.4	6.8	6.0
1951	59.2	48.9	31.1	11.3	-------	19.9	-------	17.7	16.6	.8	.4	10.3	9.1
1952	52.1	49.0	31.2	11.5	-------	19.7	-------	17.8	16.6	.8	.4	3.1	2.1
1953	53.3	52.9	34.3	12.8	-------	21.5	-------	18.6	17.5	.8	.4	.4	1.1
1954	52.7	54.3	34.0	13.2	-------	20.8	-------	20.3	19.2	.7	.4	−1.5	−2.1
1955	68.4	62.4	38.3	14.4	-------	23.9	-------	24.1	23.0	.6	.4	6.0	5.5
1956	71.0	66.3	43.7	17.4	-------	26.3	-------	22.6	21.4	.7	.5	4.7	5.1
1957	69.2	67.9	46.7	18.1	-------	28.6	-------	21.2	20.0	.7	.5	1.3	.8
1958	61.9	63.4	41.6	16.7	-------	24.9	-------	21.8	20.7	.7	.5	−1.5	−2.3
1959	77.6	72.3	45.3	17.0	16.1	28.3	25.2	27.0	25.8	.7	.6	5.2	5.3
1960	76.4	72.7	47.7	18.2	17.3	29.5	27.0	25.0	23.9	.6	.5	3.8	3.5
1961	74.3	72.1	47.1	18.4	17.5	28.7	26.1	25.0	23.8	.7	.5	2.2	1.9
1962	85.2	78.7	51.2	19.4	18.5	31.8	28.9	27.4	26.3	.6	.5	6.5	5.8
1963	90.2	84.2	53.6	19.6	18.6	34.0	30.6	30.6	29.4	.7	.6	6.0	5.2
1964	96.6	90.8	59.7	21.5	20.5	38.2	34.6	31.2	29.9	.7	.6	5.8	6.4
1965	112.0	102.5	71.3	26.1	25.1	45.1	41.2	31.2	29.9	.6	.7	9.5	8.5
1966	124.5	110.2	81.4	29.2	28.1	52.2	47.9	28.7	27.4	.7	.7	14.3	14.5
1967	120.8	110.7	82.1	29.5	28.2	52.6	48.0	28.6	27.2	.7	.7	10.1	9.4
1968	131.5	123.8	89.3	31.6	30.4	57.7	53.4	34.5	33.1	.6	.8	7.7	7.6
1969	146.2	136.8	98.9	35.7	34.3	63.3	58.9	37.9	36.3	.7	.9	9.4	9.2
1970	140.8	137.0	100.5	37.7	36.1	62.8	58.1	36.6	35.1	.6	.9	3.8	3.7
1971	160.0	153.6	104.1	39.3	37.8	64.7	59.9	49.6	47.9	.7	1.0	6.4	5.1
1972	188.3	178.8	116.8	42.5	41.1	74.3	69.1	62.0	60.3	.7	1.1	9.4	8.8
1973	220.5	203.0	136.5	49.0	46.8	87.5	80.7	66.5	64.7	.6	1.2	17.5	14.1
1974	212.2	202.5	147.9	54.4	52.1	93.5	86.0	54.6	52.2	1.0	1.3	9.7	11.6
1975 p	183.3	197.5	148.7	52.6	50.4	96.1	88.4	48.8	46.9	.6	1.3	−14.2	−16.1
1973: I	211.7	199.3	131.0	46.3	44.4	84.8	78.6	68.2	66.4	.7	1.2	12.4	10.1
II	217.1	202.8	134.5	47.7	45.6	86.7	79.8	68.3	66.6	.5	1.2	14.3	11.0
III	221.2	205.6	138.5	50.3	48.1	88.2	81.3	67.0	65.2	.6	1.2	15.6	11.0
IV	231.9	204.2	141.8	51.5	49.2	90.4	83.4	62.4	60.4	.7	1.2	27.7	24.0
1974: I	218.4	203.5	145.9	53.4	51.1	92.5	85.6	57.6	55.3	1.0	1.3	14.9	14.1
II	212.7	203.4	146.6	54.1	51.8	92.4	85.0	56.9	54.6	.9	1.4	9.3	11.0
III	207.6	203.1	148.1	54.0	51.7	94.1	86.6	55.0	52.7	.9	1.4	4.4	7.6
IV	210.3	199.8	151.1	56.1	53.7	95.0	86.7	48.7	46.3	1.2	1.3	10.4	13.7
1975: I	168.7	193.5	149.3	54.9	52.6	94.4	86.7	44.2	42.6	.4	1.2	−24.8	−23.3
II	161.4	191.1	146.1	51.1	48.8	95.0	87.2	45.0	43.1	.5	1.3	−29.6	−29.6
III	194.9	197.1	146.7	51.2	49.0	95.6	88.6	50.4	48.2	.8	1.4	−2.1	−5.7
IV p	208.3	208.4	152.7	53.4	51.3	99.3	91.2	55.7	53.5	.7	1.4	−.2	−5.7

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–10.—*Inventories and final sales of business in current and 1972 dollars, 1957–75*

[Billions of dollars, except as noted; seasonally adjusted]

Year and quarter	Inventories[1]							Final sales[2]		Inventory-final sales ratio	
	Total	Farm	Nonfarm					Total	Nonfarm	Total	Nonfarm
			Total nonfarm	Manufacturing	Wholesale trade	Retail trade	Other				
	Current dollars										
Fourth quarter:											
1957	126.7	20.9	105.8	57.9	16.9	24.?	6.9	392.7	374.2	0.323	0.283
1958	128.9	24.9	103.9	56.0	16.9	24.1	6.9	405.0	383.2	.318	.271
1959	132.3	23.6	108.7	57.5	18.0	25.3	8.0	426.7	406.2	.310	.268
1960	136.2	24.8	111.3	58.1	18.4	26.8	8.1	442.1	422.2	.308	.264
1961	138.4	25.0	113.4	59.5	19.0	26.3	8.7	465.3	443.5	.297	.256
1962	145.2	26.6	118.6	62.5	19.7	27.9	8.6	492.7	471.1	.295	.252
1963	151.5	26.9	124.6	64.8	21.2	29.4	9.2	524.2	499.6	.289	.249
1964	157.6	25.7	131.8	68.5	22.3	31.1	9.9	553.1	534.9	.285	.246
1965	172.7	29.7	143.0	73.7	24.0	34.4	10.9	610.7	586.6	.283	.244
1966	189.1	28.9	160.2	83.4	27.2	38.0	11.6	647.5	622.6	.292	.257
1967	202.2	29.2	173.0	91.1	29.2	39.2	13.5	688.0	666.4	.294	.260
1968	215.3	30.4	184.9	97.4	30.9	42.2	14.4	757.6	736.0	.284	.251
1969	236.2	33.4	202.8	107.1	33.8	45.9	16.1	804.5	783.9	.294	.259
1970	244.2	31.7	212.5	110.8	36.8	47.1	17.7	839.4	814.2	.291	.261
1971	261.9	36.8	225.1	113.6	39.4	52.9	19.2	915.2	888.6	.286	.253
1972	288.6	44.6	243.9	120.4	43.6	58.0	21.8	1,019.9	982.8	.283	.248
1973	353.6	64.1	289.5	143.7	52.8	67.0	26.0	1,119.6	1,068.3	.316	.271
1974	422.3	57.6	364.8	188.6	66.3	76.5	33.4	1,202.7	1,148.0	.351	.318
1975 p	428.7	63.8	364.9	189.0	65.8	76.5	33.6	1,328.9	1,283.2	.323	.284
1974: I	371.7	63.2	308.5	154.9	57.0	68.4	28.2	1,139.4	1,090.9	.326	.283
II	387.7	57.2	330.5	168.3	60.7	70.8	30.6	1,166.5	1,121.6	.332	.295
III	413.9	61.0	353.0	181.6	64.6	74.6	32.2	1,198.7	1,148.0	.345	.307
IV	422.3	57.6	364.8	188.6	66.3	76.5	33.4	1,202.7	1,148.0	.351	.318
1975: I	412.6	54.7	357.9	186.6	65.1	73.3	32.9	1,230.4	1,186.2	.335	.302
II	413.1	60.3	352.8	183.6	63.8	72.4	33.0	1,257.0	1,220.8	.329	.289
III	423.7	64.1	359.7	186.1	65.1	75.3	33.1	1,291.4	1,243.2	.328	.289
IV p	428.7	63.8	364.9	189.0	65.8	76.5	33.6	1,328.9	1,283.2	.323	.284
	1972 dollars										
Fourth quarter:											
1957	162.6	31.4	131.2	71.1	20.3	30.0	9.8	565.3	537.5	0.288	0.244
1958	160.8	32.4	128.4	68.6	20.3	29.7	9.8	577.2	545.7	.279	.235
1959	167.2	32.4	134.8	71.1	22.1	31.1	10.5	596.8	566.3	.280	.238
1960	171.6	32.8	138.8	72.4	22.7	33.0	10.7	609.0	580.8	.282	.239
1961	174.5	33.2	141.2	74.2	23.4	32.2	11.4	636.6	606.4	.274	.233
1962	182.6	34.5	148.1	78.4	24.3	34.0	11.4	664.2	633.7	.275	.234
1963	190.4	35.7	154.7	80.8	26.2	35.7	12.0	699.3	663.7	.272	.233
1964	197.7	35.1	162.6	84.7	27.5	37.6	12.8	730.7	703.3	.271	.231
1965	209.0	36.2	172.8	89.1	28.9	41.0	13.8	791.3	759.3	.264	.228
1966	225.7	36.0	189.7	99.0	32.0	44.4	14.3	809.2	777.4	.279	.244
1967	237.7	36.8	200.9	105.9	33.9	44.8	16.3	837.2	807.8	.284	.249
1968	246.4	37.0	209.4	110.7	34.9	47.0	16.8	882.8	855.3	.279	.245
1969	257.0	37.3	219.7	115.8	36.5	49.4	18.0	892.2	869.1	.288	.253
1970	261.3	37.7	223.6	117.1	38.7	49.0	18.8	891.7	859.9	.293	.260
1971	267.9	39.2	228.8	115.4	40.1	53.7	19.5	935.0	905.0	.287	.253
1972	277.4	39.8	237.6	117.5	42.4	56.5	21.3	1,007.6	973.7	.275	.244
1973	293.4	42.2	251.2	123.6	45.0	60.3	22.4	1,030.8	1,000.5	.285	.251
1974	301.1	41.4	259.7	129.5	48.1	59.2	22.9	992.5	956.8	.303	.271
1975 p	291.1	42.7	248.4	124.9	44.9	56.4	22.2	1,026.6	996.0	.284	.249
1974: I	296.5	42.4	254.2	125.5	46.4	59.7	22.6	1,027.3	1,002.0	.289	.254
II	298.2	42.2	256.1	126.4	47.6	59.5	22.7	1,026.3	995.3	.291	.257
III	299.3	41.8	257.5	127.8	47.7	59.1	22.8	1,020.6	986.2	.293	.261
IV	301.1	41.4	259.7	129.5	48.1	59.2	22.9	992.5	956.8	.303	.271
1975: I	296.4	41.2	255.2	128.8	47.2	56.6	22.6	991.1	957.5	.299	.267
II	291.2	41.1	250.1	126.4	45.8	55.5	22.3	1,000.1	974.9	.291	.257
III	291.0	41.8	249.3	125.1	45.6	56.4	22.1	1,012.0	980.5	.288	.254
IV p	291.1	42.7	248.4	124.9	44.9	56.4	22.2	1,026.6	996.0	.284	.249

[1] End of quarter.
[2] Annual rates.

Source: Department of Commerce (Bureau of Economic Analysis).

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TABLE B–11.—*Relation of gross national product and national income, 1946–75*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross national product	Less: Capital consumption allowances with capital consumption adjustment	Equals: Net national product	Plus: Subsidies less current surplus of government enterprises	Less:			Equals: National income
					Indirect business tax and nontax liability	Business transfer payments	Statistical discrepancy	
1946	209.6	13.8	195.7	0.9	17.1	0.5	0.7	178.3
1947	232.8	17.2	215.6	−.2	18.4	.6	1.8	194.6
1948	259.1	20.3	238.8	−.1	20.1	.7	−1.2	219.0
1949	258.0	22.0	236.1	−.3	21.3	.8	1.0	212.7
1950	286.2	23.9	262.3	.1	23.4	.8	2.0	236.2
1951	330.2	27.6	302.6	−.1	25.3	.9	4.0	272.3
1952	347.2	29.6	317.6	−.3	27.7	1.0	2.7	285.8
1953	366.1	31.6	334.5	−.5	29.7	1.2	3.3	299.7
1954	366.3	33.1	333.2	−.3	29.6	1.1	3.0	299.1
1955	399.3	35.3	364.0	−.0	32.2	1.2	2.5	328.0
1956	420.7	38.9	381.8	.7	35.1	1.4	−.8	346.9
1957	442.8	42.0	400.8	.7	37.5	1.5	.2	362.3
1958	448.9	44.1	404.8	1.1	38.7	1.6	1.7	364.0
1959	486.5	46.1	440.4	.1	41.8	1.8	−.2	397.1
1960	506.0	47.7	458.3	.4	45.4	2.0	−.7	412.0
1961	523.3	49.1	474.2	1.7	48.0	2.0	1.6	424.2
1962	563.8	50.5	513.3	1.8	51.6	2.1	4.0	457.4
1963	594.7	52.2	542.5	1.1	54.6	2.4	3.7	482.8
1964	635.7	54.6	581.2	1.7	58.8	2.7	2.2	519.2
1965	688.1	57.5	630.6	1.6	62.6	2.8	.9	566.0
1966	753.0	61.7	691.3	2.5	65.3	3.0	3.2	622.2
1967	796.3	67.0	729.3	1.6	70.2	3.1	1.7	655.8
1968	868.5	73.8	794.7	1.3	78.8	3.4	−.6	714.4
1969	935.5	82.5	853.1	1.8	86.4	3.8	−3.3	767.9
1970	982.4	90.8	891.6	2.7	94.0	4.0	−2.1	798.4
1971	1,063.4	98.8	964.7	2.4	103.4	4.2	1.3	858.1
1972	1,171.1	105.4	1,065.8	3.6	111.0	4.7	1.7	951.9
1973	1,306.3	117.1	1,189.3	3.7	120.2	5.2	.4	1,067.3
1974	1,406.9	134.0	1,272.9	.7	127.3	5.8	−.6	1,141.1
1975 p	1,499.0	152.5	1,346.4	1.9	137.2	6.3	−4.6	1,209.5
1973: I	1,265.0	111.0	1,154.1	3.1	117.9	5.0	3.2	1,031.2
II	1,287.8	115.3	1,172.5	4.5	119.9	5.1	−.9	1,052.9
III	1,319.7	118.3	1,201.4	4.0	121.1	5.2	1.0	1,078.1
IV	1,352.7	123.7	1,229.1	3.3	121.9	5.4	−1.8	1,106.8
1974: I	1,370.9	126.9	1,244.0	1.0	123.3	5.6	−6.2	1,122.3
II	1,391.0	131.1	1,259.9	.5	126.6	5.8	−1.6	1,129.6
III	1,424.4	136.1	1,288.3	.9	129.6	5.9	2.4	1,151.3
IV	1,441.3	142.1	1,299.3	.4	129.5	6.0	2.9	1,161.3
1975: I	1,433.6	145.4	1,288.2	1.6	131.6	6.2	−3.2	1,155.2
II	1,460.6	149.5	1,311.1	2.2	135.2	6.3	−8.9	1,180.8
III	1,528.5	154.7	1,373.8	1.9	140.0	6.4	−3.2	1,232.5
IV p	1,573.2	160.5	1,412.7	1.9	141.8	6.5	----------	----------

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–12.—*National income by type of income, 1946–75*

[Billions of dollars; quarterly data at seasonally adjusted annual rate]

Year or quarter	National income [1]	Compensation of employees			Proprietors' income with inventory valuation and capital consumption adjustments							
					Total	Farm			Nonfarm			
		Total	Wages and salaries	Supplements to wages and salaries [2]		Total	Income [3]	Capital consumption adjustment	Total	Income [4]	Inventory valuation adjustment	Capital consumption adjustment
1946	178.3	118.1	112.0	6.0	36.6	14.9	15.1	−0.2	21.6	23.3	−1.7	0.0
1947	194.6	129.2	123.1	6.1	35.8	15.2	15.6	−.4	20.6	21.8	−1.5	.4
1948	219.0	141.4	135.5	5.9	40.7	17.5	18.1	−.6	23.2	23.1	−.4	.5
1949	212.7	141.3	134.7	6.6	36.1	12.7	13.4	−.7	23.5	22.2	.5	.8
1950	236.2	154.8	147.0	7.8	38.4	13.5	14.1	−.7	24.9	25.1	−1.1	.9
1951	272.3	181.0	171.3	9.7	42.8	15.8	16.6	−.8	27.0	26.4	−.3	.9
1952	285.8	195.7	185.3	10.4	42.9	14.9	15.7	−.8	28.0	26.9	.2	.9
1953	299.7	209.6	198.5	11.0	41.3	12.9	13.7	−.7	28.4	27.6	−.2	.9
1954	299.1	208.4	196.8	11.6	40.8	12.3	12.9	−.6	28.5	27.6	−.0	1.0
1955	328.0	224.9	211.7	13.2	42.5	11.3	11.9	−.6	31.2	30.5	−.2	1.0
1956	346.9	243.5	228.3	15.2	43.6	11.2	11.8	−.6	32.4	31.8	−.5	1.1
1957	362.3	256.5	239.3	17.2	45.0	11.0	11.8	−.8	33.9	33.1	−.3	1.2
1958	364.0	258.2	240.5	17.7	47.4	13.1	13.9	−.8	34.3	33.2	−.1	1.1
1959	397.1	279.6	258.9	20.6	47.2	10.7	11.6	−.9	36.6	35.3	−.1	1.3
1960	412.0	294.9	271.9	23.0	47.0	11.4	12.3	−.9	35.6	34.2	.1	1.3
1961	424.2	303.6	279.5	24.1	48.3	11.8	12.7	−.9	36.4	35.3	−.1	1.2
1962	457.4	325.1	298.0	27.1	49.6	11.9	12.8	−1.0	37.7	36.4	−.0	1.4
1963	482.8	342.9	313.4	29.5	50.3	11.6	12.5	−.9	38.7	37.2	−.0	1.6
1964	519.2	368.0	336.1	31.8	52.2	10.3	11.2	−1.0	42.0	40.2	−.0	1.8
1965	566.0	396.5	362.0	34.5	56.7	12.6	13.5	−.9	44.1	42.7	−.2	1.6
1966	622.2	439.3	398.4	40.9	60.3	13.6	14.6	−1.0	46.7	45.3	−.3	1.6
1967	655.8	471.9	427.5	44.4	61.0	12.1	13.2	−1.2	48.9	47.5	−.3	1.7
1968	714.4	519.8	469.5	50.3	63.4	12.0	13.3	−1.3	51.4	50.4	−.4	1.5
1969	767.9	571.4	514.6	56.8	66.2	13.9	15.4	−1.4	52.3	51.3	−.5	1.4
1970	798.4	609.2	546.5	62.7	65.1	13.9	15.3	−1.4	51.2	50.7	−.5	1.0
1971	858.1	650.3	580.0	70.3	67.7	14.3	16.0	−1.7	53.4	52.8	−.4	1.1
1972	951.9	715.1	633.8	81.4	76.1	18.0	20.0	−2.0	58.1	56.4	−.7	2.5
1973	1,067.3	797.7	700.9	96.8	91.7	32.4	35.1	−2.6	59.3	58.9	−1.8	2.3
1974	1,141.1	873.0	763.1	110.0	85.1	25.6	29.3	−3.7	59.5	62.0	−4.1	1.6
1975 p	1,209.5	921.4	801.6	119.8	83.3	24.6	28.9	−4.3	58.7	60.0	−1.3	.0
1973: I	1,031.2	769.7	676.5	93.2	85.9	26.5	28.7	−2.2	59.4	58.6	−1.8	2.6
II	1,052.9	787.8	692.5	95.3	90.1	31.2	33.7	−2.4	58.9	58.9	−2.3	2.2
III	1,078.1	805.4	707.6	97.8	95.0	35.2	38.0	−2.7	59.3	59.0	−1.5	2.3
IV	1,106.8	828.0	727.1	101.0	96.0	36.8	39.9	−3.1	59.3	58.9	−1.7	2.1
1974: I	1,122.3	843.9	738.7	105.2	93.0	33.7	37.1	−3.4	59.3	60.3	−2.9	1.9
II	1,129.6	863.9	755.6	108.3	81.8	22.3	25.9	−3.6	59.5	60.9	−3.3	1.8
III	1,151.3	886.3	774.3	112.0	82.1	21.9	25.7	−3.8	60.2	64.5	−5.8	1.5
IV	1,161.3	898.1	783.6	114.4	83.6	24.6	28.6	−4.0	59.0	62.5	−4.6	1.1
1975: I	1,155.2	897.1	781.0	116.1	79.6	21.0	25.1	−4.1	58.6	59.1	−1.3	.8
II	1,180.8	905.4	787.6	117.8	78.6	20.1	24.3	−4.2	58.5	59.1	−.9	.3
III	1,232.5	928.2	807.3	120.9	88.0	29.3	33.6	−4.3	58.7	60.4	−1.5	−.3
IV p	----------	954.9	830.5	124.4	87.0	28.2	32.6	−4.4	58.8	61.3	−1.7	−.8

See footnotes at end of table.

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TABLE B–12 —*National income by type of income, 1946–75*—Continued

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Rental income of persons with capital consumption adjustment			Corporate profits with inventory valuation and capital consumption adjustments									Net interest
					Profits with inventory valuation adjustment and without capital consumption adjustment								
						Profits before tax							
								Profits after tax					
	Total	Rental income of persons	Capital consumption adjustment	Total	Total	Total	Tax liability	Total	Dividends	Undistributed profits	Inventory valuation adjustment	Capital consumption adjustment	
1946	5.5	7.3	−1.8	16.6	19.3	24.6	9.1	15.5	5.6	9.9	−5.3	−2.7	1.6
1947	5.3	7.7	−2.5	22.2	25.6	31.5	11.3	20.2	6.3	13.9	−5.9	−3.4	2.1
1948	5.7	8.5	−2.8	29.1	33.0	35.2	12.4	22.7	7.0	15.7	−2.2	−3.9	2.1
1949	6.1	8.9	−2.8	26.9	30.8	28.9	10.2	18.7	7.2	11.5	1.9	−3.8	2.2
1950	7.1	10.0	−2.9	33.7	37.6	42.6	17.9	24.7	8.8	15.9	−5.0	−4.0	2.3
1951	7.7	11.0	−3.3	38.1	42.7	43.9	22.6	21.3	8.5	12.8	−1.2	−4.6	2.7
1952	8.8	12.2	−3.4	35.4	39.8	38.9	19.4	19.5	8.5	11.0	1.0	−4.5	3.0
1953	10.0	13.4	−3.4	35.5	39.5	40.5	20.3	20.2	8.8	11.5	−1.0	−4.1	3.4
1954	11.0	14.4	−3.3	34.6	37.8	38.1	17.6	20.5	9.1	11.4	−.3	−3.2	4.3
1955	11.3	14.8	−3.5	44.6	46.7	48.4	22.0	26.4	10.3	16.1	−1.7	−2.1	4.8
1956	11.6	15.2	−3.6	42.9	45.9	48.6	22.0	26.6	11.1	15.5	−2.7	−3.0	5.2
1957	12.2	15.9	−3.6	42.1	45.4	46.9	21.4	25.5	11.5	14.0	−1.5	−3.3	6.5
1958	12.9	16.7	−3.8	37.5	40.8	41.1	19.0	22.1	11.3	10.8	−.3	−3.4	8.0
1959	13.2	17.3	−4.0	48.2	51.2	51.6	23.6	28.0	12.2	15.8	−.5	−2.9	8.8
1960	13.8	17.8	−4.1	46.6	48.9	48.5	22.7	25.8	12.9	13.0	.3	−2.3	9.8
1961	14.3	18.3	−4.0	46.9	48.7	48.6	22.8	25.8	13.3	12.5	.1	−1.8	11.2
1962	15.0	19.0	−4.0	54.9	53.7	53.6	24.0	29.6	14.4	15.2	.1	1.2	12.8
1963	15.7	19.6	−3.9	59.6	57.6	57.7	26.2	31.5	15.5	16.0	−.2	2.1	14.3
1964	16.1	20.1	−4.0	67.0	64.2	64.7	28.0	36.7	17.3	19.4	−.5	2.8	15.9
1965	17.1	21.0	−3.9	77.1	73.3	75.2	30.9	44.3	19.1	25.2	−1.9	3.8	18.5
1966	18.2	22.1	−3.9	82.5	78.6	80.7	33.7	47.1	19.4	27.6	−2.1	3.9	21.9
1967	19.4	23.4	−4.0	79.3	75.6	77.3	32.5	44.9	20.1	24.7	−1.7	3.7	24.3
1968	18.6	23.8	−5.2	85.8	82.1	85.6	39.4	46.2	21.9	24.2	−3.4	3.7	26.8
1969	18.1	24.8	−6.7	81.4	77.9	83.4	39.7	43.8	22.6	21.2	−5.5	3.5	30.8
1970	18.6	25.8	−7.1	67.9	66.4	71.5	34.5	37.0	22.9	14.1	−5.1	1.5	37.5
1971	20.1	27.7	−7.6	77.2	76.9	82.0	37.7	44.3	23.0	21.3	−5.0	.3	42.8
1972	21.5	29.4	−7.9	92.1	89.6	96.2	41.5	54.6	24.6	30.0	−6.6	2.5	47.0
1973	21.3	31.1	−9.8	100.2	98.6	117.0	48.2	68.8	27.8	40.9	−18.4	1.6	56.3
1974	21.0	32.9	−11.9	91.3	93.6	132.1	52.6	79.5	31.1	48.4	−38.5	−2.3	70.7
1975 p	21.1	35.0	−13.9	102.1	108.3	119.8	47.0	72.8	32.8	40.0	−11.5	−6.2	81.6
1973: I	21.8	30.3	−8.5	101.9	99.4	115.2	47.8	67.5	26.4	41.0	−15.8	2.5	51.9
II	21.2	30.5	−9.3	99.6	97.4	117.9	48.8	69.1	27.2	41.9	−20.6	2.2	54.3
III	21.3	31.5	−10.2	98.9	97.9	115.8	47.8	68.0	28.1	39.9	−17.9	1.0	57.6
IV	21.1	32.1	−11.0	100.4	99.6	119.1	48.6	70.5	29.5	41.0	−19.5	.7	61.3
1974: I	21.1	32.6	−11.5	99.6	100.3	128.3	49.4	78.9	30.0	48.9	−28.0	−.7	64.8
II	21.0	32.7	−11.8	94.3	96.0	129.6	52.6	77.1	30.9	46.2	−33.7	−1.7	68.7
III	20.9	33.0	−12.0	89.2	92.0	146.7	59.3	87.4	31.7	55.7	−54.7	−2.7	72.7
IV	20.9	33.2	−12.3	82.0	86.1	123.9	49.2	74.7	31.7	43.0	−37.7	−4.2	76.7
1975: I	20.8	33.9	−13.1	78.9	83.4	97.1	37.5	59.6	32.1	27.5	−13.7	−4.5	78.7
II	20.5	34.6	−14.1	96.6	101.6	108.2	41.6	66.6	32.6	34.0	−6.6	−5.0	79.7
III	20.9	35.1	−14.2	113.1	119.6	129.5	50.7	78.8	33.5	45.3	−9.9	−6.5	82.2
IV p	22.0	36.3	−14.3	.....	.....	.....	.....	.....	33.1	.....	−15.8	−8.6	85.7

[1] National income is the total net income earned in production. It differs from gross national product mainly in that it excludes depreciation charges and other allowances for business and institutional consumption of durable capital goods, and indirect business taxes. See Table B–11.

[2] Employer contributions for social insurance and to private pension, health, and welfare funds; compensation for injuries; directors' fees; pay of the military reserve; and a few other minor items.

[3] With inventory valuation adjustment and without capital consumption adjustment.

[4] Without inventory valuation and capital consumption adjustments.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–13.—*Relation of national income and personal income, 1946–75*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	National income	Less:				Plus:				Equals:
		Corporate profits with inventory valuation and capital consumption adjustments	Net interest	Contributions for social insurance	Wage accruals less disbursements	Government transfer payments to persons	Personal interest income	Dividends	Business transfer payments	Personal income
1946	178.3	16.6	1.6	6.1	−0.0	10.8	6.4	5.6	0.5	177.3
1947	194.6	22.2	2.1	5.8	.0	11.2	7.3	6.3	.6	189.8
1948	219.0	29.1	2.1	5.4	.0	10.6	7.7	7.0	.7	208.5
1949	212.7	26.9	2.2	5.9	−.0	11.7	8.2	7.2	.8	205.6
1950	236.2	33.7	2.3	7.1	.0	14.4	8.9	8.8	.8	226.1
1951	272.3	38.1	2.7	8.5	.1	11.6	9.6	8.5	.9	253.7
1952	285.8	35.4	3.0	9.0	−.0	12.1	10.3	8.5	1.0	270.4
1953	299.7	35.5	3.4	9.1	−.1	12.9	11.4	8.8	1.2	286.1
1954	299.1	34.6	4.3	10.1	.0	15.1	12.7	9.1	1.1	288.2
1955	328.0	44.6	4.8	11.5	.0	16.2	13.8	10.3	1.2	308.8
1956	346.9	42.9	5.2	12.9	.0	17.3	15.3	11.1	1.4	330.9
1957	362.3	42.1	6.5	14.9	.0	20.1	17.4	11.5	1.5	349.3
1958	364.0	37.5	8.0	15.2	.0	24.3	18.8	11.3	1.6	359.3
1959	397.1	48.2	8.8	18.0	.0	25.2	20.9	12.2	1.8	382.1
1960	412.0	46.6	9.8	21.1	.0	27.0	23.3	12.9	2.0	399.7
1961	424.2	46.9	11.2	21.9	.0	30.8	24.6	13.3	2.0	415.0
1962	457.4	54.9	12.8	24.3	.0	31.6	27.1	14.4	2.1	440.7
1963	482.8	59.6	14.3	27.3	.0	33.4	30.2	15.5	2.4	463.1
1964	519.2	67.0	15.9	28.7	.0	34.8	33.3	17.3	2.7	495.7
1965	566.0	77.1	18.5	30.0	.0	37.6	37.2	19.1	2.8	537.0
1966	622.2	82.5	21.9	38.8	.0	41.6	41.8	19.4	3.0	584.9
1967	655.8	79.3	24.3	43.4	.0	49.5	45.0	20.1	3.1	626.6
1968	714.4	85.8	26.8	48.1	.0	56.5	49.6	21.9	3.4	685.2
1969	767.9	81.4	30.8	54.9	.0	62.7	55.9	22.6	3.8	745.8
1970	798.4	67.9	37.5	58.7	.0	75.9	64.3	22.9	4.0	801.3
1971	858.1	77.2	42.8	64.8	.6	89.9	69.3	23.0	4.2	859.1
1972	951.9	92.1	47.0	73.6	.0	99.4	74.6	24.6	4.7	942.5
1973	1,067.3	100.2	56.3	91.5	−.1	113.5	88.4	27.8	5.2	1,054.3
1974	1,141.1	91.3	70.7	102.9	−.5	134.5	106.5	31.1	5.8	1,154.7
1975 p	1,209.5	102.1	81.6	108.3	.0	168.7	120.7	32.8	6.3	1,246.0
1973: I	1,031.2	101.9	51.9	88.8	.0	110.0	81.7	26.4	5.0	1,011.6
II	1,052.9	99.6	54.3	90.5	−.3	111.9	85.9	27.2	5.1	1,039.0
III	1,078.1	98.9	57.6	92.4	.0	114.5	90.7	28.1	5.2	1,067.8
IV	1,106.8	100.4	61.3	94.2	.0	117.5	95.4	29.5	5.4	1,098.8
1974: I	1,122.3	99.6	64.8	100.2	.0	123.5	99.0	30.0	5.6	1,115.9
II	1,129.6	94.3	68.7	101.9	−.6	130.7	104.0	30.9	5.8	1,136.6
III	1,151.3	89.2	72.7	104.4	−1.5	138.4	109.1	31.7	5.9	1,171.6
IV	1,161.3	82.0	76.7	105.0	.0	145.5	114.0	31.7	6.0	1,194.8
1975: I	1,155.2	78.9	78.7	106.0	.0	157.7	116.0	32.1	6.2	1,203.6
II	1,180.8	96.6	79.7	106.6	.0	169.4	117.6	32.6	6.3	1,223.8
III	1,232.5	113.1	82.2	108.9	.0	172.4	121.2	33.5	6.4	1,261.7
IV p	.....	.....	85.7	111.7	.0	175.2	127.8	33.1	6.5	1,294.8

Source: Department of Commerce, Bureau of Economic Analysis.

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TABLE B–14.—*Disposition of personal income, 1946–75*

[Billions of dollars; quarterly data at seasonally adjusted annual rates, except as noted]

Year or quarter	Personal income	Less: Personal tax and nontax payments	Equals: Disposable personal income	Less: Personal outlays				Equals: Personal saving	Percent of disposable personal income		
				Total	Personal consumption expenditures	Interest paid by consumers to business	Personal transfer payments to foreigners (net)		Personal outlays		Personal saving
									Total	Consumption expenditures	
1946	177.3	18.7	158.6	145.2	143.8	0.7	0.7	13.4	91.5	90.6	8.5
1947	189.8	21.4	168.4	163.5	161.7	1.0	.7	4.9	97.1	96.1	2.9
1948	208.5	21.0	187.4	176.9	174.7	1.4	.7	10.6	94.3	93.2	5.7
1949	205.6	18.5	187.1	180.4	178.1	1.7	.5	6.7	96.4	95.2	3.6
1950	226.1	20.6	205.5	194.7	192.0	2.3	.4	10.8	94.7	93.4	5.3
1951	253.7	28.9	224.8	210.0	207.1	2.5	.4	14.8	93.4	92.1	6.6
1952	270.4	34.0	236.4	220.4	217.1	2.9	.4	16.0	93.2	91.8	6.8
1953	286.1	35.5	250.7	233.7	229.7	3.6	.5	17.0	93.2	91.6	6.8
1954	288.2	32.5	255.7	240.1	235.8	3.8	.5	15.6	93.9	92.2	6.1
1955	308.8	35.4	273.4	258.5	253.7	4.4	.4	14.9	94.6	92.8	5.4
1956	330.9	39.7	291.3	271.6	266.0	5.1	.5	19.7	93.2	91.3	6.8
1957	349.3	42.4	306.9	286.4	280.4	5.5	.5	20.6	93.3	91.4	6.7
1958	359.3	42.1	317.1	295.4	289.5	5.6	.4	21.7	93.2	91.3	6.8
1959	382.1	46.0	336.1	317.3	310.8	6.1	.4	18.8	94.4	92.5	5.6
1960	399.7	50.4	349.4	332.3	324.9	7.0	.4	17.1	95.1	93.0	4.9
1961	415.0	52.1	362.9	342.7	335.0	7.3	.4	20.2	94.4	92.3	5.6
1962	440.7	56.8	383.9	363.5	355.2	7.8	.5	20.4	94.7	92.5	5.3
1963	463.1	60.3	402.8	384.0	374.6	8.8	.6	18.8	95.3	93.0	4.7
1964	495.7	58.6	437.0	410.9	400.4	9.9	.6	26.1	94.0	91.6	6.0
1965	537.0	64.9	472.2	441.9	430.2	11.1	.7	30.3	93.6	91.1	6.4
1966	584.9	74.5	510.4	477.4	464.8	12.0	.6	33.0	93.5	91.1	6.5
1967	626.6	82.1	544.5	503.7	490.4	12.5	.9	40.9	92.5	90.0	7.5
1968	685.2	97.1	588.1	550.1	535.9	13.3	.8	38.1	93.5	91.1	6.5
1969	745.8	115.4	630.4	595.3	579.7	14.7	.9	35.1	94.4	92.0	5.6
1970	801.3	115.3	685.9	635.4	618.8	15.5	1.1	50.6	92.6	90.2	7.4
1971	859.1	116.3	742.8	685.5	668.2	16.2	1.1	57.3	92.3	90.0	7.7
1972	942.5	141.2	801.3	751.9	733.0	17.9	1.0	49.4	93.8	91.5	6.2
1973	1,054.3	151.2	903.1	830.4	808.5	20.6	1.2	72.7	92.0	89.5	8.0
1974	1,154.7	171.2	983.6	909.5	885.9	22.6	1.0	74.0	92.5	90.1	7.5
1975 p	1,246.0	169.2	1,076.8	987.2	963.2	23.1	1.0	89.6	91.7	89.5	8.3
1973: I	1,011.6	145.0	866.6	806.1	785.7	19.5	.9	60.4	93.0	90.7	7.0
II	1,039.0	147.3	891.7	821.8	800.5	20.3	.9	70.0	92.2	89.8	7.8
III	1,067.8	153.7	914.1	840.3	818.4	21.0	.9	73.8	91.9	89.5	8.1
IV	1,098.8	158.9	939.9	853.4	829.5	21.7	2.2	86.5	90.8	88.3	9.2
1974: I	1,115.9	162.1	953.8	872.6	849.5	22.1	1.1	81.2	91.5	89.1	8.5
II	1,136.6	168.4	968.2	901.4	877.8	22.5	1.1	66.8	93.1	90.7	6.9
III	1,171.6	175.3	996.3	931.7	907.7	22.9	1.0	64.6	93.5	91.1	6.5
IV	1,194.8	178.9	1,015.9	932.4	908.4	23.0	1.0	83.6	91.8	89.4	8.2
1975: I	1,203.6	179.6	1,024.0	950.4	926.4	23.0	1.0	73.6	92.8	90.5	7.2
II	1,223.8	142.1	1,081.7	974.2	950.3	22.8	1.1	107.5	90.1	87.9	9.9
III	1,261.7	174.6	1,087.1	1,001.3	977.4	23.0	.9	85.9	92.1	89.9	7.9
IV p	1,294.8	180.4	1,114.4	1,023.1	998.7	23.5	1.0	91.3	91.8	89.6	8.2

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-15.—*Sources of personal income, 1946–75*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Personal income	Wage and salary disbursements[1]						Other labor income[1]	Proprietors' income with inventory valuation and capital consumption adjustments	
		Total	Commodity-producing industries		Distributive industries	Service industries	Government and government enterprises		Farm	Nonfarm
			Total	Manufacturing						
1946	177.3	112.0	46.0	36.5	31.0	14.3	20.7	2.0	14.9	21.6
1947	189.8	123.1	54.2	42.5	35.2	16.1	17.5	2.4	15.2	20.6
1948	208.5	135.5	60.9	47.1	37.5	18.0	19.0	2.7	17.5	23.2
1949	205.6	134.8	57.7	44.6	37.7	18.6	20.8	2.9	12.7	23.5
1950	226.1	147.0	64.6	50.3	39.8	20.0	22.6	3.7	13.5	24.9
1951	253.7	171.3	76.1	59.3	44.3	21.7	29.2	4.6	15.8	27.0
1952	270.4	185.4	81.9	64.1	46.9	23.3	33.3	5.2	14.9	28.0
1953	286.1	198.6	89.4	71.2	49.7	25.0	34.4	5.9	12.9	28.4
1954	288.2	196.8	85.5	67.5	50.1	26.3	34.9	6.1	12.3	28.5
1955	308.8	211.7	92.9	73.8	53.4	28.8	36.6	7.0	11.3	31.2
1956	330.9	228.3	100.4	79.4	57.7	31.5	38.8	8.0	11.2	32.4
1957	349.3	239.3	104.0	82.4	60.5	33.8	41.0	9.0	11.0	33.9
1958	359.3	240.5	99.8	78.6	60.8	35.8	44.1	9.4	13.1	34.3
1959	382.1	258.9	109.3	86.8	64.8	38.8	46.0	10.6	10.7	36.6
1960	399.7	271.9	112.9	89.7	68.2	41.7	49.2	11.2	11.4	35.6
1961	415.0	279.5	113.4	89.8	69.3	44.4	52.4	11.8	11.8	36.4
1962	440.7	298.0	121.5	96.7	72.8	47.5	56.3	13.0	11.9	37.7
1963	463.1	313.4	126.6	100.6	76.3	50.6	60.0	14.0	11.6	38.7
1964	495.7	336.1	135.1	107.1	81.4	54.7	64.9	15.7	10.3	42.0
1965	537.0	362.0	145.7	115.5	87.2	59.2	69.9	17.8	12.6	44.1
1966	584.9	398.4	160.7	128.0	94.4	65.0	78.3	19.9	13.6	46.7
1967	626.6	427.5	168.0	134.1	100.9	72.2	86.4	21.7	12.1	48.9
1968	685.2	469.5	183.0	145.8	109.9	80.2	96.4	25.1	12.0	51.4
1969	745.8	514.6	199.1	157.5	120.7	89.9	104.9	28.2	13.9	52.3
1970	801.3	546.5	202.5	158.2	130.1	97.9	116.0	32.0	13.9	51.2
1971	859.1	579.4	207.8	160.3	139.3	106.8	125.6	36.2	14.3	53.4
1972	942.5	633.8	226.7	175.4	151.9	117.9	137.3	42.0	18.0	58.1
1973	1,054.3	701.0	253.4	196.2	168.1	130.8	148.6	47.5	32.4	59.3
1974	1,154.7	763.6	273.7	211.2	184.3	145.0	160.6	54.5	25.6	59.5
1975 p	1,246.0	801.6	273.5	211.1	195.1	158.6	174.4	61.3	24.6	58.7
1973: I	1,011.6	676.5	243.8	189.1	161.9	125.9	144.8	45.6	26.5	59.4
II	1,039.0	692.8	250.0	193.9	166.2	129.4	147.1	46.7	31.2	58.9
III	1,067.8	707.6	256.0	197.7	169.8	132.4	149.4	48.1	35.2	59.7
IV	1,098.8	727.1	263.9	204.0	174.7	135.4	153.1	49.8	36.8	59.3
1974: I	1,115.9	738.7	265.8	204.7	177.6	139.7	155.6	51.4	33.7	59.3
II	1,136.6	756.2	271.9	209.6	182.7	142.9	158.6	53.4	22.3	59.5
III	1,171.6	775.9	279.2	215.7	187.0	147.4	162.3	55.5	21.9	60.2
IV	1,194.8	783.6	277.7	214.9	189.9	150.1	165.9	57.6	24.6	59.0
1975: I	1,203.6	781.0	267.9	205.5	190.3	153.5	169.3	59.0	21.0	58.6
II	1,223.8	787.6	267.2	205.9	191.8	156.0	172.6	60.3	20.1	58.5
III	1,261.7	807.3	275.3	212.9	196.6	160.0	175.4	62.0	29.3	58.7
IV p	1,294.8	830.5	283.7	220.3	201.8	164.8	180.2	63.8	28.2	58.8

See footnotes at end of table.

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TABLE B–15.—*Sources of personal income, 1946–75*—Continued

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Rental income of persons with capital consumption adjustment	Dividends	Personal interest income	Transfer payments							Less: Personal contributions for social insurance	Nonfarm personal income [2]
				Total	Old age, survivors, disability, and health insurance benefits	Government unemployment insurance benefits	Veterans benefits	Government employee retirement benefits	Aid to families with dependent children (AFDC)	Other		
1946	5.5	5.6	6.4	11.3	0.4	1.1	7.0	0.7	2.1	2.1	2.0	159.6
1947	5.3	6.3	7.3	11.7	.5	.8	7.0	.7	.3	2.5	2.1	171.5
1948	5.7	7.0	7.7	11.3	.6	.9	5.9	.7	.4	2.9	2.2	187.7
1949	6.1	7.2	8.2	12.5	.7	1.9	5.3	.9	.5	3.3	2.2	189.9
1950	7.1	8.8	8.9	15.2	1.0	1.5	7.7	1.0	.6	3.5	2.9	209.3
1951	7.7	8.5	9.6	12.6	1.9	.9	4.6	1.1	.6	3.6	3.4	234.4
1952	8.8	8.5	10.3	13.1	2.2	1.1	4.3	1.2	.5	3.8	3.8	252.0
1953	10.0	8.8	11.4	14.1	3.0	1.0	4.1	1.4	.5	4.1	4.0	269.9
1954	11.0	9.1	12.7	16.2	3.6	2.2	4.2	1.5	.6	4.1	4.6	272.7
1955	11.3	10.3	13.8	17.5	4.9	1.5	4.4	1.7	.6	4.3	5.2	294.3
1956	11.6	11.1	15.3	18.7	5.7	1.5	4.4	1.9	.6	4.5	5.8	316.4
1957	12.2	11.5	17.4	21.6	7.3	1.9	4.5	2.2	.7	4.9	6.7	335.0
1958	12.9	11.3	18.8	25.9	8.5	4.1	4.7	2.5	.8	5.3	6.9	342.6
1959	13.2	12.2	20.9	27.0	10.2	2.8	4.6	2.8	.9	5.8	7.9	367.7
1960	13.8	12.9	23.3	28.9	11.1	3.0	4.6	3.1	1.0	6.2	9.3	384.4
1961	14.3	13.3	24.6	32.8	12.6	4.3	5.0	3.4	1.1	6.4	9.7	399.0
1962	15.0	14.4	27.1	33.8	14.3	3.1	4.7	3.7	1.3	6.7	10.3	424.5
1963	15.7	15.5	30.2	35.8	15.2	3.0	4.8	4.2	1.4	7.3	11.8	447.0
1964	16.1	17.3	33.3	37.4	16.0	2.7	4.7	4.7	1.5	7.8	12.3	480.7
1965	17.1	19.1	37.2	40.4	18.1	2.3	4.9	5.2	1.7	8.3	13.3	519.5
1966	18.2	19.4	41.8	44.7	19.8	1.9	4.9	6.1	1.9	10.2	17.8	566.1
1967	19.4	20.1	45.0	52.6	25.5	2.2	5.6	6.9	2.3	10.2	20.6	609.1
1968	18.6	21.9	49.6	59.9	30.2	2.1	5.9	7.7	2.8	11.1	22.8	667.5
1969	18.1	22.6	55.9	66.5	32.9	2.2	6.7	8.6	3.5	12.5	26.3	725.8
1970	18.6	22.9	64.3	79.9	38.5	4.0	7.7	10.1	4.8	14.9	28.0	780.7
1971	20.1	23.0	69.3	94.1	44.5	5.8	8.8	11.7	6.2	17.2	30.8	838.0
1972	21.5	24.6	74.6	104.1	49.6	5.6	9.7	13.5	6.9	18.9	34.2	917.3
1973	21.3	27.8	88.4	118.6	60.4	4.3	10.4	15.6	7.2	20.8	42.2	1,013.5
1974	21.0	31.1	106.5	140.4	70.1	6.6	11.7	18.5	7.9	25.5	47.4	1,119.1
1975 p	21.1	32.8	120.7	175.0	81.4	17.5	14.3	21.8	9.1	30.9	49.8	1,210.2
1973:												
I	21.8	26.4	81.7	114.9	58.1	4.3	10.3	14.6	7.1	20.5	41.2	977.0
II	21.2	27.2	85.9	117.0	59.8	4.2	10.3	15.0	7.1	20.6	41.9	999.6
III	21.3	28.1	90.7	119.7	61.1	4.2	10.4	16.1	7.2	20.7	42.7	1,024.2
IV	21.1	29.5	95.4	122.9	62.4	4.5	10.7	16.8	7.3	21.3	43.1	1,053.0
1974:												
I	21.1	30.0	99.0	129.1	63.7	5.4	10.8	17.5	7.5	24.1	46.4	1,072.6
II	21.0	30.9	104.0	136.4	69.1	6.3	10.8	17.8	7.6	24.8	47.1	1,104.5
III	20.9	31.7	109.1	144.3	72.7	6.5	11.9	18.9	8.0	26.1	48.0	1,139.8
IV	20.9	31.7	114.0	151.6	75.0	8.2	13.4	19.6	8.4	27.0	48.2	1,159.7
1975:												
I	20.8	32.1	116.0	163.9	76.6	15.1	14.6	20.7	8.7	28.1	48.8	1,171.7
II	20.5	32.6	117.6	175.7	77.7	18.6	13.8	21.2	8.9	35.4	49.1	1,192.8
III	20.9	33.5	121.2	178.8	85.0	18.7	13.9	22.1	9.2	29.8	50.0	1,221.4
IV p	22.0	33.1	127.8	181.7	86.3	17.6	14.8	23.2	9.5	30.2	51.2	1,255.1

[1] The total of wage and salary disbursements and other labor income differs from compensation of employees in Table B–12 in that it excludes employer contributions for social insurance and the excess of wage accruals over wage disbursements.

[2] Nonfarm income is personal income exclusive of net income of unincorporated farm enterprises, farm wages, agricultural net interest, and net dividends paid by farm corporations.

Source: Department of Commerce, Bureau of Economic Analysis.

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TABLE B–16.—*Personal consumption expenditures, 1946–75*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Personal consumption expenditures	Durable goods [1]			Nondurable goods [1]					Services [1]				
												Household operation [1]		
		Total	Motor vehicles and parts	Furniture and household equipment	Total	Food	Clothing and shoes	Gasoline and oil	Fuel oil and coal	Total	Housing [2]	Total	Electricity and gas	Transportation
1946	143.8	15.8	4.1	8.4	82.7	47.4	18.2	3.4	2.5	45.3	14.2	6.8	2.1	5.0
1947	161.7	20.4	6.6	10.6	90.9	52.3	18.8	4.0	3.0	50.4	16.0	7.5	2.3	5.3
1948	174.7	22.9	8.0	11.5	96.6	54.2	20.1	4.8	3.4	55.3	17.9	8.1	2.6	5.8
1949	178.1	25.0	10.6	11.3	94.9	52.5	19.3	5.3	3.1	58.2	19.6	8.5	2.9	5.9
1950	192.0	30.8	13.7	13.7	98.2	53.9	19.6	5.5	3.4	63.0	21.7	9.5	3.3	6.2
1951	207.1	29.8	12.2	14.0	108.8	60.4	21.2	6.1	3.5	68.5	24.3	10.4	3.7	6.7
1952	217.1	29.1	11.3	14.0	113.9	63.4	21.9	6.8	3.4	74.0	27.0	11.1	4.1	7.1
1953	229.7	32.5	13.9	14.6	116.5	64.4	22.1	7.4	3.4	80.6	29.8	12.0	4.5	7.8
1954	235.8	31.8	13.0	14.6	118.0	65.4	22.1	7.8	3.5	86.1	32.2	12.6	5.0	7.9
1955	253.7	38.6	17.8	16.2	122.9	67.2	23.1	8.6	3.8	92.1	34.3	14.0	5.5	8.2
1956	266.0	37.9	15.8	17.1	128.9	69.9	24.1	9.4	3.9	99.2	36.7	15.2	6.1	8.6
1957	280.4	39.3	17.2	16.9	135.2	73.6	24.3	10.2	4.1	105.9	39.3	16.2	6.5	9.0
1958	289.5	36.8	14.8	16.6	139.8	76.4	24.7	10.6	4.2	112.8	42.0	17.3	7.1	9.3
1959	310.8	42.4	18.9	17.8	146.4	79.1	26.1	11.3	4.0	121.9	45.0	18.5	7.6	10.1
1960	324.9	43.1	19.7	17.7	151.1	81.1	26.7	12.0	3.8	130.7	48.1	20.1	8.3	10.7
1961	335.0	41.6	17.8	17.9	155.3	83.2	27.4	12.0	3.7	138.1	51.2	21.0	8.8	11.2
1962	355.2	46.7	21.5	18.9	161.6	85.5	28.7	12.6	3.7	147.0	54.7	22.2	9.4	11.7
1963	374.6	51.4	24.4	20.3	167.1	87.8	29.5	12.9	4.0	156.1	58.0	23.4	9.9	12.2
1964	400.4	56.3	26.0	22.8	176.9	92.7	31.9	13.5	4.1	167.1	61.4	24.8	10.4	12.8
1965	430.2	62.8	29.8	24.7	188.6	98.9	33.5	14.7	4.4	178.7	65.5	26.3	10.9	13.7
1966	464.8	67.7	30.1	27.7	204.7	106.6	36.6	16.0	4.7	192.4	69.5	28.0	11.5	15.0
1967	490.4	69.6	29.7	29.5	212.6	109.6	38.2	17.0	4.8	208.1	74.1	30.6	12.2	16.2
1968	535.9	80.0	35.8	32.6	230.4	118.3	41.8	18.4	5.0	225.6	79.9	32.7	13.1	17.4
1969	579.7	85.5	37.7	35.0	247.0	126.1	45.1	20.4	5.2	247.2	86.8	35.5	14.2	18.9
1970	618.8	84.9	34.9	36.7	264.7	136.3	46.6	22.0	5.4	269.1	94.0	38.3	15.5	21.1
1971	668.2	97.1	43.8	39.4	277.7	140.6	50.5	23.4	5.5	293.4	102.7	41.6	17.0	23.8
1972	733.0	111.2	50.6	44.8	299.3	150.4	55.1	24.9	6.3	322.4	112.3	45.9	18.9	26.0
1973	808.5	122.9	54.4	50.7	334.4	168.0	61.4	28.3	7.7	351.3	123.1	50.3	20.6	27.8
1974	885.9	121.9	48.0	54.7	375.7	189.4	65.2	36.4	9.5	388.3	136.0	56.4	24.0	30.9
1975 p	963.2	127.7	49.0	57.5	410.0	209.4	69.9	40.1	10.1	425.5	148.8	63.5	29.0	34.0
1973: I	785.7	124.8	58.2	49.3	321.4	161.2	60.1	26.7	7.0	339.5	118.9	48.2	19.7	27.2
II	800.5	124.4	56.4	50.4	328.0	164.3	60.9	27.4	7.5	348.2	121.9	49.8	20.3	27.6
III	818.4	123.7	54.4	51.2	339.6	171.4	61.9	28.5	7.9	355.2	124.7	51.4	21.3	28.0
IV	829.5	118.9	48.4	51.9	348.5	175.2	62.8	30.6	8.4	362.2	126.8	51.9	21.0	28.5
1974: I	849.5	118.4	46.1	53.4	359.8	181.3	64.3	31.7	8.9	371.2	131.4	52.7	21.5	29.7
II	877.8	123.1	48.7	55.0	371.9	185.4	65.3	37.1	9.3	382.8	134.2	55.6	23.4	30.4
III	907.7	128.9	53.5	55.9	383.9	193.2	66.5	38.2	9.9	394.9	137.4	57.9	25.0	31.4
IV	908.4	117.3	43.6	54.3	387.1	197.4	64.8	38.8	9.8	404.0	140.7	59.2	26.2	32.1
1975: I	926.4	118.9	44.6	54.1	394.1	202.8	66.7	38.1	9.4	413.4	143.9	60.6	27.3	33.0
II	950.3	123.8	46.1	57.0	404.8	206.6	69.0	39.6	10.1	421.6	147.0	63.1	28.9	33.5
III	977.4	131.8	52.1	58.3	416.4	211.4	71.3	41.2	11.1	429.2	150.2	64.7	29.8	34.2
IV p	998.7	136.1	53.2	60.6	424.8	216.9	72.6	41.6	10.0	437.7	154.0	65.5	30.1	35.1

[1] Total includes items not shown separately.
[2] Includes imputed rental value of owner-occupied dwellings.

Source: Department of Commerce, Bureau of Economic Analysis.

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TABLE B–17.—*Total and per capita disposable personal income and personal consumption expenditures in current and 1972 dollars, 1946–75*

Year or quarter	Disposable personal income				Personal consumption expenditures				Population (thousands)[1]
	Total (billions of dollars)		Per capita (dollars)		Total (billions of dollars)		Per capita (dollars)		
	Current dollars	1972 dollars	Current dollars	1972 dollars	Current dollars	1972 dollars	Current dollars	1972 dollars	
1946	158.6	332.4	1,122	2,351	143.8	301.4	1,017	2,131	141,389
1947	168.4	318.8	1,168	2,212	161.7	306.2	1,122	2,124	144,126
1948	187.4	335.5	1,278	2,288	174.7	312.8	1,192	2,133	146,631
1949	187.1	336.1	1,254	2,253	178.1	320.0	1,194	2,145	149,188
1950	205.5	361.9	1,355	2,386	192.0	338.1	1,266	2,229	151,684
1951	224.8	371.6	1,457	2,408	207.1	342.3	1,342	2,219	154,287
1952	236.4	382.1	1,506	2,434	217.1	350.9	1,383	2,236	156,954
1953	250.7	397.5	1,571	2,491	229.7	364.2	1,439	2,283	159,565
1954	255.7	402.1	1,574	2,476	235.8	370.9	1,452	2,284	162,391
1955	273.4	425.9	1,654	2,577	253.7	395.1	1,535	2,391	165,275
1956	291.3	444.9	1,731	2,645	266.0	406.3	1,581	2,415	168,221
1957	306.9	453.9	1,792	2,650	280.4	414.7	1,637	2,421	171,274
1958	317.1	459.0	1,821	2,636	289.5	419.0	1,662	2,406	174,141
1959	336.1	477.4	1,898	2,696	310.8	441.5	1,755	2,493	177,073
1960	349.4	487.3	1,934	2,697	324.9	453.0	1,798	2,507	180,671
1961	362.9	500.6	1,976	2,725	335.0	462.2	1,824	2,516	183,691
1962	383.9	521.6	2,058	2,796	355.2	482.9	1,904	2,589	186,538
1963	402.8	539.2	2,128	2,849	374.6	501.4	1,979	2,649	189,242
1964	437.0	577.3	2,278	3,009	400.4	528.7	2,087	2,755	191,889
1965	472.2	612.4	2,430	3,152	430.2	558.1	2,214	2,872	194,303
1966	510.4	643.6	2,597	3,274	464.8	586.1	2,365	2,982	196,560
1967	544.5	669.8	2,740	3,371	490.4	603.2	2,468	3,035	198,712
1968	588.1	695.2	2,930	3,464	535.9	633.4	2,670	3,156	200,706
1969	630.4	712.3	3,111	3,515	579.7	655.4	2,860	3,234	202,677
1970	685.9	741.6	3,348	3,619	618.8	668.9	3,020	3,265	204,878
1971	742.8	769.0	3,588	3,714	668.2	691.9	3,227	3,342	207,053
1972	801.3	801.3	3,837	3,837	733.0	733.0	3,510	3,510	208,846
1973	903.1	856.0	4,292	4,068	808.5	766.3	3,843	3,642	210,410
1974	983.6	843.5	4,642	3,981	885.9	759.8	4,181	3,586	211,894
1975 p	1,076.8	857.0	5,040	4,012	963.2	766.6	4,509	3,588	213,631
1973: I	866.6	844.6	4,129	4,025	785.7	765.8	3,744	3,649	209,857
II	891.7	853.5	4,242	4,060	800.5	766.2	3,808	3,645	210,220
III	914.1	860.7	4,340	4,086	818.4	770.5	3,885	3,658	210,636
IV	939.9	864.2	4,453	4,095	829.5	762.8	3,931	3,614	211,040
1974: I	953.8	853.3	4,513	4,037	849.5	760.0	4,019	3,596	211,362
II	968.2	841.8	4,574	3,976	877.8	763.2	4,147	3,605	211,699
III	996.3	842.0	4,697	3,969	907.7	767.2	4,279	3,617	212,123
IV	1,015.9	837.6	4,779	3,940	908.4	748.9	4,273	3,523	212,585
1975: I	1,024.0	831.6	4,808	3,905	926.4	752.3	4,350	3,533	212,962
II	1,081.7	869.8	5,070	4,077	950.3	764.1	4,454	3,581	213,362
III	1,087.1	858.2	5,083	4,012	977.4	771.6	4,569	3,607	213,897
IV p	1,114.4	868.4	5,199	4,052	998.7	778.2	4,659	3,631	214,339

[1] Population of the United States including Armed Forces overseas; includes Alaska and Hawaii beginning 1960. Annual data are for July 1; quarterly data are for middle of period, interpolated from monthly data.

Source: Department of Commerce (Bureau of Economic Analysis and Bureau of the Census).

TABLE B–18.—*Gross saving and investment, 1946–75*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross saving							Capital grants received by the United States (net) [2]	Gross investment			Statistical discrepancy
	Total	Gross private saving			Government surplus or deficit (—), national income and product accounts				Total	Gross private domestic investment	Net foreign investment [3]	
		Total	Personal saving	Gross business saving [1]	Total	Federal	State and local					
1946	34.6	29.2	13.4	15.8	5.4	3.5	1.9	.....	35.3	30.7	4.6	0.7
1947	41.2	26.8	4.9	21.8	14.4	13.4	1.0	.....	42.9	34.0	9.0	1.8
1948	49.0	40.6	10.6	30.0	8.4	8.3	.1	.....	47.8	45.9	2.0	−1.2
1949	34.8	38.2	6.7	31.4	−3.4	−2.6	−.7	.....	35.9	35.3	.6	1.0
1950	49.7	41.6	10.8	30.8	8.0	9.2	−1.2	.....	51.7	53.8	−2.1	2.0
1951	55.5	49.4	14.8	34.6	6.1	6.5	−.4	.....	59.5	59.2	.3	4.0
1952	49.3	53.1	16.0	37.1	−3.8	−3.7	−.0	.....	51.9	52.1	−.2	2.7
1953	48.1	55.0	17.0	38.0	−6.9	−7.1	.1	.....	51.4	53.3	−1.9	3.3
1954	49.4	56.5	15.6	41.0	−7.1	−6.0	−1.1	.....	52.4	52.7	−.3	3.0
1955	65.6	62.4	14.9	47.5	3.1	4.4	−1.3	.....	68.0	68.4	−.3	2.5
1956	73.6	68.4	19.7	48.7	5.2	6.1	−.9	.....	72.8	71.0	1.8	−.8
1957	72.6	71.7	20.6	51.1	.9	2.3	−1.4	.....	72.8	69.2	3.6	.2
1958	60.4	73.0	21.7	51.3	−12.6	−10.3	−2.4	.....	62.0	61.9	.1	1.7
1959	75.8	77.3	18.8	58.5	−1.6	−1.1	−.4	.....	75.5	77.6	−2.0	−.2
1960	78.9	75.8	17.1	58.7	3.1	3.0	.1	.....	78.2	76.4	1.7	−.7
1961	75.8	80.0	20.2	59.8	−4.3	−3.9	−.4	.....	77.3	74.3	3.0	1.6
1962	83.6	87.4	20.4	67.0	−3.8	−4.2	.5	.....	87.6	85.2	2.4	4.0
1963	89.6	88.9	18.8	70.1	.7	.3	.5	.....	93.4	90.2	3.2	3.7
1964	100.1	102.4	26.1	76.2	−2.3	−3.3	1.0	.....	102.3	96.6	5.7	2.2
1965	115.4	114.9	30.3	84.6	.5	.5	−.0	.....	116.3	112.0	4.3	.9
1966	122.9	124.2	33.0	91.2	−1.3	−1.8	.5	.....	126.1	124.5	1.6	3.2
1967	120.3	134.6	40.9	93.7	−14.2	−13.2	−1.1	.....	122.1	120.8	1.2	1.7
1968	130.8	136.3	38.1	98.2	−5.5	−5.8	.3	.....	130.2	131.5	−1.4	−.6
1969	147.5	136.8	35.1	101.7	10.7	8.5	2.1	.....	144.2	146.2	−2.0	−3.3
1970	143.4	151.9	50.6	101.4	−9.4	−12.1	2.8	0.9	141.4	140.8	.5	−2.1
1971	155.4	173.0	57.3	115.7	−18.3	−22.0	3.7	.7	156.8	160.0	−3.2	1.3
1972	177.5	180.4	49.4	131.0	−3.5	−17.3	13.7	.7	179.2	188.3	−9.0	1.7
1973	219.8	213.8	72.7	141.1	6.0	−6.9	12.9	.0	220.2	220.5	−.3	.4
1974	210.1	215.7	74.0	141.6	−3.6	−11.7	8.1	[4]−2.0	209.5	212.2	−2.8	−.6
1975 [p]	200.9	264.4	89.6	174.8	−63.5	−73.4	10.0	.0	196.3	183.3	13.0	−4.6
1973: I	204.0	199.0	60.4	138.6	5.0	−10.9	15.9	.0	207.2	211.7	−4.5	3.2
II	214.5	208.7	70.0	138.7	5.8	−7.4	13.2	.0	213.7	217.1	−3.4	−.9
III	222.8	215.1	73.8	141.3	7.7	−4.8	12.4	.0	223.8	221.2	2.6	1.0
IV	237.9	232.4	86.5	145.9	5.5	−4.6	10.1	.0	236.1	231.9	4.2	−1.8
1974: I	224.3	228.3	81.2	147.1	4.0	−5.3	9.4	−8.0	218.1	218.4	−.3	−6.2
II	209.1	208.8	66.8	142.0	.3	−7.9	8.2	.0	207.5	212.7	−5.2	−1.6
III	199.9	198.8	64.6	134.2	1.0	−8.0	9.1	.0	202.2	207.6	−5.3	2.4
IV	207.1	226.7	83.6	143.1	−19.6	−25.5	5.9	.0	210.0	210.3	−.2	2.9
1975: I	180.3	228.3	73.6	154.7	−48.0	−53.7	5.7	.0	177.1	168.7	8.4	−3.2
II	185.9	279.3	107.5	171.8	−93.4	−102.2	8.8	.0	177.0	161.4	15.6	−8.9
III	211.9	269.5	85.9	183.6	−57.6	−70.5	12.9	.0	208.7	194.9	13.7	−3.2
IV [p]	.....	.....	91.3	.....	.....	.....	.....	.0	222.3	208.3	14.1	.....

[1] Undistributed corporate profits with inventory valuation and capital consumption adjustments, corporate and noncorporate capital consumption allowances with capital consumption adjustment, and private wage accruals less disbursements.

[2] Allocations of special drawing rights (SDR).

[3] Net exports of goods and services less net transfers to foreigners and interest paid to foreigners.

[4] In February 1974, the U.S. Government granted to India $2,015 million (quarterly rate) in rupees under provisions of the Agricultural Trade Development and Adjustment Act. This transaction is being treated as capital grants paid to foreigners, and is included in the first quarter of 1974 as −$8.0 (annual rate) in capital grants received by the United States.

Source: Department of Commerce, Bureau of Economic Analysis.

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TABLE B–19.—*Saving by individuals, 1946–75* [1]

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Total	Increase in financial assets							Net investment in			Less: Increase in net debt		
		Total [2]	Currency and demand deposits	Savings accounts	Securities			Insurance and pension reserves ([5])	Nonfarm homes	Consumer durables	Noncorporate business assets	Mortgage debt on nonfarm homes	Consumer credit	Other debt [6]
					Government securities [3]	Corporate and foreign bonds	Corporate equities [4]							
1946	25.7	18.9	5.6	6.3	−1.4	−0.9	1.1	5.3	4.2	5.8	3.3	3.8	2.7	0.0
1947	20.8	13.2	.1	3.4	1.6	−.8	1.1	5.4	6.9	7.5	3.2	4.3	3.2	2.5
1948	23.3	9.0	−2.9	2.3	1.3	−.1	1.0	5.3	10.5	7.1	7.4	5.0	2.8	2.9
1949	18.9	10.0	−2.0	2.7	1.8	−.4	.8	5.6	9.0	7.0	2.5	4.1	2.9	2.6
1950	26.9	13.8	2.6	2.5	−.1	−.8	.7	6.9	13.7	10.2	6.4	7.4	4.1	5.6
1951	30.3	18.8	4.6	4.9	−.4	.0	1.6	6.3	13.5	5.5	4.6	7.1	1.2	3.8
1952	27.2	22.7	1.6	7.8	1.9	.0	1.6	7.8	12.8	3.6	2.5	6.4	4.8	3.0
1953	30.4	22.5	1.0	8.3	2.3	−.1	.9	8.0	13.5	6.4	1.6	7.7	3.9	2.1
1954	28.2	22.7	2.2	9.3	.8	−.3	.7	7.9	13.7	4.9	2.7	8.6	1.1	6.0
1955	34.1	28.4	1.2	8.8	6.0	1.0	1.1	8.5	17.7	9.9	3.5	12.2	6.4	6.8
1956	36.0	30.0	1.8	9.6	3.9	.9	1.9	9.5	16.4	5.9	1.9	11.2	3.5	3.4
1957	34.1	28.6	−.5	12.1	2.2	1.1	1.5	9.5	13.8	4.9	2.3	8.8	2.6	4.2
1958	33.0	31.6	3.8	14.1	−2.4	1.3	1.5	10.4	12.7	.6	3.3	8.8	.2	6.2
1959	34.7	36.5	.8	11.3	9.0	.3	.6	11.9	16.5	5.5	3.2	12.6	6.4	8.0
1960	32.3	31.6	1.9	11.4	3.5	.6	−.4	11.6	14.5	5.1	2.2	10.8	4.6	5.7
1961	31.7	35.1	2.5	16.5	.7	.1	−.4	12.2	12.0	2.9	3.2	10.9	1.8	8.7
1962	37.1	39.1	1.7	25.7	−.8	−.1	−2.1	12.7	12.8	6.7	5.6	12.7	5.8	8.5
1963	39.1	45.1	3.0	24.6	4.4	.0	−2.9	14.1	12.6	8.9	6.9	14.8	7.9	11.8
1964	49.5	55.5	4.7	27.4	5.7	.1	−.2	15.6	12.5	11.2	6.2	16.0	8.5	11.4
1965	55.4	58.2	7.8	28.0	4.3	1.0	−2.2	17.0	12.0	14.8	9.0	15.2	9.6	13.7
1966	65.1	62.6	3.9	20.5	11.3	2.0	−.9	19.4	11.5	15.2	7.2	12.7	6.4	12.4
1967	65.0	69.0	11.3	34.8	−.7	4.6	−4.3	19.6	9.2	12.4	8.2	10.4	4.5	18.9
1968	68.3	73.3	12.5	30.3	4.8	4.7	−6.5	20.1	12.8	16.7	7.9	14.6	10.0	17.7
1969	60.6	62.1	1.6	6.0	22.5	6.6	−3.8	21.3	13.3	16.2	9.0	16.1	10.4	13.5
1970	76.2	80.6	11.3	44.4	−10.4	10.7	−1.7	24.3	10.6	10.6	6.6	12.5	6.0	13.7
1971	87.4	99.7	11.1	70.3	−14.5	9.3	−5.3	27.7	17.6	16.5	11.0	24.2	11.2	21.9
1972	97.9	124.4	12.1	75.4	1.6	5.2	−5.4	30.3	24.3	24.4	10.6	38.4	19.2	28.2
1973	120.2	138.2	13.1	67.7	24.7	1.1	−8.2	31.6	27.2	27.1	15.4	44.2	22.9	20.5
1974	115.8	129.9	4.6	59.6	24.5	−1.7	−1.0	38.9	21.9	10.7	11.6	32.6	9.6	16.3
1974: I	116.0	122.4	10.3	76.2	18.9	1.2	−3.0	27.8	22.4	11.6	14.9	34.2	8.2	12.9
II	117.2	143.0	9.6	63.4	24.9	−4.0	−4.1	46.8	19.9	12.7	14.9	37.8	17.2	18.3
III	107.2	117.2	−3.6	27.5	49.2	−10.1	.3	38.1	22.7	17.1	10.1	28.2	15.8	15.9
IV	123.7	137.1	2.0	71.3	5.1	6.3	2.6	43.1	22.7	1.6	6.7	30.0	−3.6	18.0
1975: I	110.4	135.7	−13.8	107.1	−10.8	12.8	−2.0	36.3	18.8	5.5	−4.0	32.5	−3.3	16.3
II	166.1	196.3	42.2	96.5	−3.3	3.2	.6	55.2	17.1	7.3	−.7	37.3	2.1	14.5
III	121.1	146.7	2.7	73.7	23.9	7.3	1.9	37.5	20.4	13.6	.7	33.3	11.8	15.0

[1] Saving by households, personal trust funds, nonprofit institutions, farms, and other noncorporate business.
[2] Includes commercial paper and miscellaneous financial assets, not shown separately.
[3] Consists of U.S. savings bonds, other U.S. Treasury securities, U.S. Government agency securities and sponsored agency securities, and State and local obligations.
[4] Includes investment company shares.
[5] Private life insurance reserves, private insured and noninsured pension reserves, and government insurance and pension reserves.
[6] Security credit, policy loans, noncorporate business mortgage debt, and other debt.

Source: Board of Governors of the Federal Reserve System.

TABLE B–20.—*Number and money income (in 1974 dollars) of families and unrelated individuals by race of head, 1947–74*

Year	Total				White				Negro and other races			
	Total number (millions)	Median income	Percent with incomes		Total number (millions)	Median income	Percent with incomes		Total number (millions)	Median income	Percent with incomes	
			Below $5,000	Below poverty level			Below $5,000	Below poverty level			Below $5,000	Below poverty level
FAMILIES												
1947	37.2	$6,691	33.8	.....	34.1	$6,970	30.5	.....	3.1	$3,563	68.5	.....
1948	38.6	6,530	34.5	.....	35.3	6,780	31.2	.....	3.3	3,622	68.4	.....
1949	39.3	6,428	35.7	.....	.....	6,685	32.6	.....	.....	3,414	70.6	.....
1950	39.9	6,800	32.8	.....	.....	7,057	29.8	.....	.....	3,828	65.2	.....
1951	40.6	7,041	30.5	.....	.....	7,326	27.2	.....	.....	3,858	64.1	.....
1952	40.8	7,227	29.0	.....	.....	7,644	25.4	.....	.....	4,344	59.7	.....
1953	41.2	7,821	26.8	.....	.....	8,110	24.0	.....	.....	4,547	55.2	.....
1954	42.0	7,646	28.5	.....	38.2	7,959	25.7	.....	3.8	4,433	55.7	.....
1955	42.9	8,137	25.6	.....	39.0	8,495	22.8	.....	3.9	4,685	53.1	.....
1956	43.5	8,673	23.4	.....	39.5	9,076	20.4	.....	4.0	4,775	52.5	.....
1957	43.7	8,701	23.4	.....	39.7	9,055	20.5	.....	4.0	4,841	51.5	.....
1958	44.2	8,676	23.6	.....	40.2	9,039	20.6	.....	4.0	4,630	53.2	.....
1959	45.1	9,165	22.3	18.5	40.9	9,547	19.4	15.2	4.2	4,931	50.8	50.4
1960	[1]45.5	9,358	21.8	18.1	41.1	9,716	19.1	14.9	4.3	5,379	46.6	49.0
1961	[1]46.4	9,454	21.8	18.1	41.9	9,859	19.0	14.8	4.5	5,260	47.9	49.0
1962	[1]47.1	9,709	20.5	17.2	42.4	10,168	17.7	13.9	4.6	5,425	45.9	48.0
1963	[1]47.5	10,064	19.6	15.9	42.7	10,547	16.9	12.8	4.8	5,580	44.8	43.7
1964	[1]48.0	10,444	18.9	15.0	43.1	10,903	16.5	12.2	4.8	6,102	40.1	40.0
1965	[1]48.5	10,874	17.7	13.9	43.5	11,334	15.4	11.1	4.8	6,242	38.6	39.7
1966	[1]49.2	11,445	15.7	11.8	44.1	11,890	13.5	9.3	5.0	7,128	34.3	33.9
1967	[1]50.1	11,717	15.1	11.4	44.8	12,162	13.2	9.0	5.0	7,524	32.6	32.1
1968	[1]50.8	12,236	13.6	10.0	45.4	12,668	11.9	8.0	5.1	7,924	29.7	28.2
1969	[1]51.6	12,689	13.2	9.7	46.0	13,175	11.5	7.7	5.2	8,328	28.0	26.9
1970	[1]52.2	12,531	13.6	10.1	46.5	13,000	11.8	8.0	5.4	8,275	28.5	28.1
1971	53.3	12,523	13.7	10.0	47.6	12,995	11.8	7.9	5.7	8,175	29.1	27.4
1972	54.4	13,103	13.1	9.3	48.5	13,614	11.1	7.1	5.9	8,376	29.2	27.7
1973	55.1	13,373	12.6	8.8	48.9	13,977	10.7	6.6	6.1	8,429	28.4	26.2
1974	55.7	12,836	13.1	9.2	49.5	13,356	11.1	7.0	6.3	8,265	29.5	26.0
			Below $3,000	Below poverty level			Below $3,000	Below poverty level			Below $3,000	Below poverty level
UNRELATED INDIVIDUALS												
1947	8.2	2,164	60.9	.....	7.2	2,286	58.7	.....	1.0	1,647	75.7	.....
1948	8.4	2,041	62.5	.....	7.3	2,157	60.9	.....	1.0	1,616	74.4	.....
1949	9.0	2,172	59.6	.....	.....	2,345	57.4	.....	.....	1,695	72.0	.....
1950	9.4	2,140	58.9	.....	.....	2,283	57.2	.....	.....	1,673	69.9	.....
1951	9.1	2,268	57.2	.....	.....	2,387	55.8	.....	.....	1,764	65.5	.....
1952	9.7	2,618	54.8	.....	.....	2,821	52.2	.....	.....	1,952	70.0	.....
1953	9.5	2,573	54.4	.....	.....	2,716	52.8	.....	.....	2,136	62.1	.....
1954	9.7	2,242	58.7	.....	8.3	2,414	56.7	.....	1.4	1,602	69.1	.....
1955	9.9	2,426	57.1	.....	8.5	2,579	55.0	.....	1.4	1,722	69.6	.....
1956	9.8	2,587	55.1	.....	8.5	2,656	54.3	.....	1.3	1,972	60.6	.....
1957	10.4	2,617	54.3	.....	8.9	2,799	52.5	.....	1.5	1,779	65.3	.....
1958	10.9	2,535	54.9	.....	9.2	2,715	53.1	.....	1.6	1,841	66.1	.....
1959	10.9	2,635	54.4	46.1	9.3	2,815	52.4	44.1	1.6	1,818	66.7	57.4
1960	[1]11.1	2,864	51.6	45.2	9.6	3,096	49.5	43.0	1.5	1,778	64.5	59.3
1961	[1]11.2	2,891	51.6	45.9	9.6	3,108	49.2	43.2	1.6	1,903	65.5	62.7
1962	[1]11.0	2,858	52.2	45.4	9.5	3,058	49.8	42.7	1.5	2,042	66.7	62.1
1963	[1]11.2	2,900	51.7	44.2	9.7	3,040	49.9	42.0	1.5	2,086	63.1	58.3
1964	[1]12.1	3,153	48.7	42.7	10.4	3,320	47.2	40.7	1.6	2,275	58.1	55.0
1965	[1]12.2	3,365	46.4	39.8	10.5	3,509	45.0	38.1	1.7	2,559	55.2	50.7
1966	[1]12.5	3,480	45.3	38.3	10.7	3,659	43.5	36.1	1.6	2,301	57.4	53.1
1967	[1]13.2	3,514	45.0	38.1	11.3	3,648	43.6	36.5	1.8	2,696	54.0	48.2
1968	[1]13.9	3,949	41.4	34.0	12.0	4,184	39.8	32.2	1.8	2,834	52.1	45.7
1969	[1]14.6	3,943	41.0	34.0	12.5	4,140	39.4	32.1	2.0	2,919	51.2	45.5
1970	[1]15.5	3,984	40.7	32.9	13.4	4,169	39.0	30.8	1.9	2,849	52.0	46.7
1971	16.3	4,038	39.8	31.6	14.2	4,219	37.9	29.6	2.1	2,831	52.8	44.9
1972	16.8	4,150	37.7	29.0	14.5	4,334	36.1	27.1	2.3	3,219	47.6	40.9
1973	18.3	4,587	34.1	25.6	15.8	4,738	32.5	23.7	2.5	3,541	44.4	37.8
1974	18.9	4,439	34.9	25.5	16.3	4,636	32.8	23.2	2.6	3,149	48.0	40.0

[1] Revised using population controls based on the 1970 Census. Such controls not available by race.

Note.—The poverty level is based on the poverty index adopted by a Federal interagency committee in 1969. That index reflects different consumption requirements for families based on size and composition, sex and age of family head, and farm-nonfarm residence. The poverty threshold is updated every year to reflect changes in the consumer price index. For further details, see Current Population Reports, Series P–60, No. 99, Bureau of the Census.

Source: Department of Commerce, Bureau of the Census.

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TABLE B–21.—*Population by age groups, 1929–75*

[Thousands of persons]

July 1	Total	Age (years)						
		Under 5	5–15	16–19	20–24	25–44	45–64	65 and over
1929	121,767	11,734	26,800	9,127	10,694	35,862	21,076	6,474
1933	125,579	10,612	26,897	9,302	11,152	37,319	22,933	7,363
1939	130,880	10,418	25,179	9,822	11,519	39,354	25,823	8,764
1940	132,122	10,579	24,811	9,895	11,690	39,868	26,249	9,031
1941	133,402	10,850	24,516	9,840	11,807	40,383	26,718	9,288
1942	134,860	11,301	24,231	9,730	11,955	40,861	27,196	9,584
1943	136,739	12,016	24,093	9,607	12,064	41,420	27,671	9,867
1944	138,397	12,524	23,949	9,561	12,062	42,016	28,138	10,147
1945	139,928	12,979	23,907	9,361	12,036	42,521	28,630	10,494
1946	141,389	13,244	24,103	9,119	12,004	43,027	29,064	10,828
1947	144,126	14,406	24,468	9,097	11,814	43,657	29,498	11,185
1948	146,631	14,919	25,209	8,952	11,794	44,288	29,931	11,538
1949	149,188	15,607	25,852	8,788	11,700	44,916	30,405	11,921
1950	152,271	16,410	26,721	8,542	11,680	45,672	30,849	12,397
1951	154,878	17,333	27,279	8,446	11,552	46,103	31,362	12,803
1952	157,553	17,312	28,894	8,414	11,350	46,495	31,884	13,203
1953	160,184	17,638	30,227	8,460	11,062	46,786	32,394	13,617
1954	163,026	18,057	31,480	8,637	10,832	47,001	32,942	14,076
1955	165,931	18,566	32,682	8,744	10,714	47,194	33,506	14,525
1956	168,903	19,003	33,994	8,916	10,616	47,379	34,057	14,938
1957	171,984	19,494	35,272	9,195	10,603	47,440	34,591	15,388
1958	174,882	19,887	36,445	9,543	10,756	47,337	35,109	15,806
1959	177,830	20,175	37,368	10,215	10,969	47,192	35,663	16,248
1960	180,671	20,341	38,494	10,683	11,134	47,140	36,203	16,675
1961	183,691	20,522	39,765	11,025	11,483	47,084	36,722	17,089
1962	186,538	20,469	41,205	11,180	11,959	47,013	37,255	17,457
1963	189,242	20,342	41,626	12,007	12,714	46,994	37,782	17,778
1964	191,889	20,165	42,297	12,736	13,269	46,958	38,338	18,127
1965	194,303	19,824	42,938	13,516	13,746	46,912	38,916	18,451
1966	196,560	19,208	43,702	14,311	14,050	47,001	39,534	18,755
1967	198,712	18,563	44,244	14,200	15,248	47,194	40,193	19,071
1968	200,706	17,913	44,622	14,452	15,786	47,721	40,846	19,365
1969	202,677	17,376	44,840	14,800	16,480	48,064	41,437	19,680
1970	204,878	17,148	44,774	15,274	17,184	48,436	41,974	20,087
1971	207,053	17,177	44,440	15,635	18,089	48,811	42,413	20,488
1972	208,846	16,981	43,949	15,947	18,033	50,256	42,788	20,893
1973	210,410	16,694	43,227	16,310	18,345	51,412	43,077	21,346
1974	211,894	16,292	42,537	16,590	18,740	52,594	43,317	21,824
1975	213,631	15,896	41,977	16,803	19,242	53,760	43,551	22,400

Note.—Includes Armed Forces overseas beginning 1940. Includes Alaska and Hawaii beginning 1950.

Source: Department of Commerce, Bureau of the Census.

TABLE B–22.—*Noninstitutional population and the labor force, 1929–75*

[Monthly data seasonally adjusted, except as noted]

Year or month	Noninstitutional population [1]	Total labor force (including Armed Forces)	Armed Forces [1]	Civilian labor force				Unemployment rate (percent of civilian labor force)	Labor force participation rate (total labor force as percent of noninstitutional population)
				Total	Employment		Unemployment		
					Total	Agricultural	Nonagricultural		
	Thousands of persons 14 years of age and over							Percent	
1929	.....	49,440	260	49,180	47,630	10,450	37,180	1,550	3.2	.....
1933	.....	51,840	250	51,590	38,760	10,090	28,670	12,830	24.9	.....
1939	.....	55,600	370	55,230	45,750	9,610	36,140	9,480	17.2	.....
1940	100,380	56,180	540	55,640	47,520	9,540	37,980	8,120	14.6	56.0
1941	101,520	57,530	1,620	55,910	50,350	9,100	41,250	5,560	9.9	56.7
1942	102,610	60,380	3,970	56,410	53,750	9,250	44,500	2,660	4.7	58.8
1943	103,660	64,560	9,020	55,540	54,470	9,080	45,390	1,070	1.9	62.3
1944	104,630	66,040	11,410	54,630	53,960	8,950	45,010	670	1.2	63.1
1945	105,530	65,300	11,440	53,860	52,820	8,580	44,240	1,040	1.9	61.9
1946	106,520	60,970	3,450	57,520	55,250	8,320	46,930	2,270	3.9	57.2
1947	107,608	61,758	1,590	60,168	57,812	8,256	49,557	2,356	3.9	57.4
	Thousands of persons 16 years of age and over									
1947	103,418	60,941	1,591	59,350	57,039	7,891	49,148	2,311	3.9	58.9
1948	104,527	62,080	1,459	60,621	58,344	7,629	50,713	2,276	3.8	59.4
1949	105,611	62,903	1,617	61,286	57,649	7,656	49,990	3,637	5.9	59.6
1950	106,645	63,858	1,650	62,208	58,920	7,160	51,760	3,288	5.3	59.9
1951	107,721	65,117	3,100	62,017	59,962	6,726	53,239	2,055	3.3	60.4
1952	108,823	65,730	3,592	62,138	60,254	6,501	53,753	1,883	3.0	60.4
1953 [3]	110,601	66,560	3,545	63,015	61,181	6,261	54,922	1,834	2.9	60.2
1954	111,671	66,993	3,350	63,643	60,110	6,206	53,903	3,532	5.5	60.0
1955	112,732	68,072	3,049	65,023	62,171	6,449	55,724	2,852	4.4	60.4
1956	113,811	69,409	2,857	66,552	63,802	6,283	57,517	2,750	4.1	61.0
1957	115,065	69,729	2,800	66,929	64,071	5,947	58,123	2,859	4.3	60.6
1958	116,363	70,275	2,636	67,639	63,036	5,586	57,450	4,602	6.8	60.4
1959	117,881	70,921	2,552	68,369	64,630	5,565	59,065	3,740	5.5	60.2
1960 [3]	119,759	72,142	2,514	69,628	65,778	5,458	60,318	3,852	5.5	60.2
1961	121,343	73,031	2,572	70,459	65,746	5,200	60,546	4,714	6.7	60.2
1962 [3]	122,981	73,442	2,828	70,614	66,702	4,944	61,759	3,911	5.5	59.7
1963	125,154	74,571	2,738	71,833	67,762	4,687	63,076	4,070	5.7	59.6
1964	127,224	75,830	2,739	73,091	69,305	4,523	64,782	3,786	5.2	59.6
1965	129,236	77,178	2,723	74,455	71,088	4,361	66,726	3,366	4.5	59.7
1966	131,180	78,893	3,123	75,770	72,895	3,979	68,915	2,875	3.8	60.1
1967	133,319	80,793	3,446	77,347	74,372	3,844	70,527	2,975	3.8	60.6
1968	135,562	82,272	3,535	78,737	75,920	3,817	72,103	2,817	3.6	60.7
1969	137,841	84,240	3,506	80,734	77,902	3,606	74,296	2,832	3.5	61.1
1970	140,182	85,903	3,188	82,715	78,627	3,462	75,165	4,088	4.9	61.3
1971	142,596	86,929	2,817	84,113	79,120	3,387	75,732	4,993	5.9	61.0
1972 [3]	145,775	88,991	2,449	86,542	81,702	3,472	78,230	4,840	5.6	61.0
1973 [3]	148,263	91,040	2,326	88,714	84,409	3,452	80,957	4,304	4.9	61.4
1974	150,827	93,240	2,229	91,011	85,936	3,492	82,443	5,076	5.6	61.8
1975	153,449	94,793	2,180	92,613	84,783	3,380	81,403	7,830	8.5	61.8

See footnotes at end of table.

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TABLE B–22.—*Noninstitutional population and the labor force, 1929–75*—Continued

[Monthly data seasonally adjusted, except as noted]

Year or month	Noninstitutional population[1]	Total labor force (including Armed Forces)	Armed Forces[1]	Civilian labor force					Unemployment rate (percent of civilian labor force)	Labor force participation rate (total labor force as percent of noninstitutional population)
				Total	Employment			Unemployment		
					Total	Agricultural	Nonagricultural			
	Thousands of persons 16 years of age and over									
1974: Jan.	149,656	92,659	2,258	90,401	85,865	3,737	82,128	4,536	5.0	61.9
Feb.	149,857	92,837	2,258	90,579	85,948	3,735	82,213	4,631	5.1	62.0
Mar.	150,066	92,800	2,251	90,549	86,033	3,661	82,372	4,516	5.0	61.8
Apr.	150,283	92,715	2,243	90,472	85,990	3,576	82,414	4,482	5.0	61.7
May	150,507	92,982	2,229	90,753	86,154	3,502	82,652	4,599	5.1	61.8
June	150,710	93,206	2,212	90,994	86,167	3,372	82,795	4,827	5.3	61.8
July	150,922	93,519	2,220	91,299	86,292	3,425	82,867	5,007	5.5	62.0
Aug.	151,135	93,377	2,220	91,157	86,170	3,447	82,723	4,987	5.5	61.8
Sept.	151,367	93,791	2,217	91,574	86,155	3,460	82,695	5,419	5.9	62.0
Oct.	151,593	93,810	2,214	91,596	86,012	3,428	82,584	5,584	6.1	61.9
Nov.	151,812	93,939	2,213	91,726	85,549	3,385	82,164	6,177	6.7	61.9
Dec.	152,020	93,854	2,212	91,642	85,053	3,338	81,715	6,589	7.2	61.7
1975: Jan.	152,230	94,156	2,193	91,963	84,666	3,370	81,296	7,297	7.9	61.9
Feb.	152,445	93,721	2,198	91,523	84,163	3,252	80,911	7,360	8.0	61.5
Mar.	152,646	94,078	2,198	91,880	84,110	3,268	80,842	7,770	8.5	61.6
Apr.	152,840	94,449	2,195	92,254	84,313	3,301	81,012	7,941	8.6	61.8
May	153,051	94,950	2,181	92,769	84,519	3,523	80,991	8,250	8.9	62.0
June	153,278	94,747	2,178	92,569	84,498	3,350	81,148	8,071	8.7	61.8
July	153,585	95,250	2,187	93,063	84,967	3,439	81,528	8,096	8.7	62.0
Aug.	153,824	95,397	2,185	93,212	85,288	3,464	81,824	7,924	8.5	62.0
Sept.	154,052	95,298	2,170	93,128	85,158	3,512	81,646	7,970	8.6	61.9
Oct.	154,256	95,377	2,164	93,213	85,151	3,408	81,743	8,062	8.6	61.8
Nov.	154,476	95,273	2,156	93,117	85,178	3,301	81,877	7,939	8.5	61.7
Dec.	154,700	95,286	2,157	93,129	85,394	3,236	82,158	7,735	8.3	61.6

[1] Not seasonally adjusted.

[2] Not strictly comparable with earlier data due to population adjustments as follows: Beginning 1953, introduction of 1950 Census data added about 600,000 to population and about 350,000 to labor force, total employment, and agricultural employment. Beginning 1960, inclusion of Alaska and Hawaii added about 500,000 to population, about 300,000 to labor force, and about 240,000 to nonagricultural employment. Beginning 1962, introduction of 1960 Census data reduced population by about 50,000 and labor force and employment by about 200,000. Beginning 1972, introduction of 1970 Census data added about 800,000 to civilian noninstitutional population and about 333,000 to labor force and employment. A subsequent adjustment based on 1970 Census in March 1973 added 60,000 to labor force and to employment. Overall categories of the labor force other than those noted were not appreciably affected.

Note.—Labor force data in Tables B–22 through B–25 are based on household interviews and relate to the calendar week including the 12th of the month. For definitions of terms, area samples used, historical comparability of the data, comparability with other series, etc., see "Employment and Earnings."

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-23.—*Civilian employment and unemployment by sex and age, 1947–75*

[Thousands of persons 16 years of age and over; monthly data seasonally adjusted]

Year or month	Employment							Unemployment						
	Total	Males			Females			Total	Males			Females		
		Total	16–19 years	20 years and over	Total	16–19 years	20 years and over		Total	16–19 years	20 years and over	Total	16–19 years	20 years and over
1947	57,039	40,994	2,218	38,776	16,045	1,691	14,354	2,311	1,692	270	1,422	619	144	475
1948	58,344	41,726	2,345	39,382	16,618	1,683	14,937	2,276	1,559	255	1,305	717	152	564
1949	57,649	40,926	2,124	38,803	16,723	1,588	15,137	3,637	2,572	352	2,219	1,065	223	841
1950	58,920	41,580	2,186	39,394	17,340	1,517	15,824	3,288	2,239	318	1,922	1,049	195	854
1951	59,962	41,780	2,156	39,626	18,182	1,611	16,570	2,055	1,221	191	1,029	834	145	689
1952	60,254	41,684	2,106	39,578	18,570	1,612	16,958	1,883	1,185	205	980	698	140	559
1953[1]	61,181	42,431	2,135	40,296	18,750	1,584	17,164	1,834	1,202	184	1,019	632	123	510
1954	60,110	41,620	1,985	39,634	18,490	1,490	17,000	3,532	2,344	310	2,035	1,188	191	997
1955	62,171	42,621	2,095	40,526	19,550	1,548	18,002	2,852	1,854	274	1,580	998	176	823
1956	63,802	43,380	2,164	41,216	20,422	1,654	18,767	2,750	1,711	269	1,442	1,039	209	832
1957	64,071	43,357	2,117	41,239	20,714	1,663	19,052	2,859	1,841	299	1,541	1,018	197	821
1958	63,036	42,423	2,012	40,411	20,613	1,570	19,043	4,602	3,098	416	2,681	1,504	262	1,242
1959	64,630	43,466	2,198	41,267	21,164	1,640	19,524	3,740	2,420	398	2,022	1,320	256	1,063
1960[1]	65,778	43,904	2,360	41,543	21,874	1,769	20,105	3,852	2,486	425	2,060	1,366	286	1,080
1961	65,746	43,656	2,314	41,342	22,090	1,793	20,296	4,714	2,997	479	2,518	1,717	349	1,368
1962[1]	66,702	44,177	2,362	41,815	22,525	1,833	20,693	3,911	2,423	407	2,016	1,488	313	1,175
1963	67,762	44,657	2,406	42,251	23,105	1,849	21,257	4,070	2,472	500	1,971	1,598	383	1,216
1964	69,305	45,474	2,587	42,886	23,831	1,929	21,903	3,786	2,205	487	1,718	1,581	386	1,195
1965	71,088	46,340	2,918	43,422	24,748	2,118	22,630	3,366	1,914	479	1,435	1,452	395	1,056
1966	72,895	46,919	3,252	43,668	25,976	2,469	23,510	2,875	1,551	432	1,120	1,324	404	921
1967	74,372	47,479	3,186	44,293	26,893	2,497	24,397	2,975	1,508	448	1,060	1,468	391	1,078
1968	75,920	48,114	3,255	44,859	27,807	2,525	25,281	2,817	1,419	427	993	1,397	412	985
1969	77,902	48,818	3,430	45,388	29,084	2,686	26,397	2,832	1,403	441	963	1,429	412	1,016
1970	78,627	48,960	3,407	45,553	29,667	2,734	26,933	4,088	2,235	599	1,636	1,853	506	1,347
1971	79,120	49,245	3,470	45,775	29,875	2,725	27,149	4,993	2,776	691	2,086	2,217	567	1,650
1972[1]	81,702	50,630	3,750	46,880	31,072	2,972	28,100	4,840	2,635	707	1,928	2,205	595	1,610
1973[1]	84,409	51,963	4,017	47,946	32,446	3,219	29,228	4,304	2,240	647	1,594	2,064	579	1,485
1974	85,936	52,519	4,074	48,445	33,417	3,329	30,088	5,076	2,668	749	1,918	2,408	660	1,748
1975	84,783	51,230	3,803	47,427	33,553	3,243	30,310	7,830	4,385	957	3,428	3,445	795	2,649
1974:														
Jan.	85,865	52,881	4,207	48,674	32,984	3,357	29,627	4,536	2,340	677	1,663	2,196	631	1,565
Feb.	85,948	52,755	4,164	48,591	33,193	3,376	29,817	4,631	2,441	694	1,747	2,190	614	1,576
Mar.	86,033	52,671	4,154	48,517	33,362	3,373	29,989	4,516	2,344	694	1,650	2,172	617	1,555
Apr.	85,990	52,573	4,116	48,457	33,417	3,343	30,074	4,482	2,385	681	1,704	2,097	546	1,551
May	86,154	52,760	4,135	48,625	33,394	3,290	30,104	4,599	2,391	710	1,681	2,208	632	1,576
June	86,167	52,606	4,075	48,531	33,561	3,344	30,217	4,827	2,522	767	1,755	2,305	673	1,632
July	86,292	52,464	4,032	48,432	33,828	3,247	30,581	5,007	2,570	746	1,824	2,437	732	1,705
Aug.	86,170	52,492	4,021	48,471	33,678	3,314	30,364	4,987	2,655	705	1,950	2,332	593	1,739
Sept.	86,155	52,542	4,065	48,477	33,613	3,408	30,205	5,419	2,833	824	2,009	2,586	693	1,893
Oct.	86,012	52,481	4,056	48,425	33,531	3,368	30,163	5,584	3,044	803	2,241	2,540	730	1,810
Nov.	85,549	52,237	3,995	48,242	33,312	3,319	29,993	6,177	3,283	844	2,439	2,894	731	2,163
Dec.	85,053	51,815	3,948	47,867	33,238	3,246	29,992	6,589	3,558	852	2,706	3,031	733	2,298
1975:														
Jan.	84,666	51,387	3,849	47,538	33,279	3,295	29,984	7,297	3,901	942	2,959	3,396	823	2,573
Feb.	84,163	51,151	3,812	47,339	33,012	3,220	29,792	7,360	4,048	944	3,104	3,312	753	2,559
Mar.	84,110	50,952	3,794	47,158	33,158	3,199	29,959	7,770	4,261	952	3,309	3,509	809	2,700
Apr.	84,313	51,046	3,775	47,271	33,267	3,224	30,043	7,941	4,412	982	3,430	3,529	737	2,792
May	84,519	51,195	3,859	47,336	33,324	3,247	30,077	8,250	4,637	970	3,667	3,613	842	2,771
June	84,498	50,978	3,728	47,250	33,520	3,254	30,266	8,071	4,608	1,057	3,551	3,463	765	2,698
July	84,967	51,280	3,799	47,481	33,687	3,234	30,453	8,096	4,657	1,015	3,642	3,439	795	2,644
Aug.	85,288	51,446	3,791	47,655	33,842	3,235	30,607	7,924	4,472	997	3,475	3,452	832	2,620
Sept.	85,158	51,334	3,818	47,516	33,824	3,273	30,551	7,970	4,604	912	3,692	3,366	796	2,570
Oct.	85,151	51,300	3,787	47,513	33,851	3,230	30,621	8,062	4,645	933	3,712	3,417	802	2,615
Nov.	85,178	51,325	3,804	47,521	33,853	3,234	30,619	7,939	4,538	883	3,655	3,401	764	2,637
Dec.	85,394	51,390	3,804	47,586	34,004	3,249	30,755	7,735	4,246	895	3,351	3,489	829	2,660

[1] See footnote 2, Table B-22.

Note.—See Note, Table B-22.

Source: Department of Labor, Bureau of Labor Statistics.

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TABLE B–24.—*Selected unemployment rates, 1948–75*

[Percent [1]; monthly data seasonally adjusted]

Year or month	All workers	By sex and age			By color		By selected groups					Labor force time lost [5]
		Both sexes 16–19 years	Men 20 years and over	Women 20 years and over	White	Negro and other races	Experienced wage and salary workers	Household heads	Married men [2]	Full-time workers [3]	Blue-collar workers [4]	
1948	3.8	9.2	3.2	3.6	3.5	5.9	4.3	.....	.....	.....	4.2	.....
1949	5.9	13.4	5.4	5.3	5.6	8.9	6.8	.....	3.5	5.4	8.0	.....
1950	5.3	12.2	4.7	5.1	4.9	9.0	6.0	.....	4.6	5.0	7.2	.....
1951	3.3	8.2	2.5	4.0	3.1	5.3	3.7	.....	1.5	2.6	3.9	.....
1952	3.0	8.5	2.4	3.2	2.8	5.4	3.3	.....	1.4	2.5	3.6	.....
1953	2.9	7.6	2.5	2.9	2.7	4.5	3.2	.....	1.7	.....	3.4	.....
1954	5.5	12.6	4.9	5.5	5.0	9.9	6.2	.....	4.0	5.2	7.2	.....
1955	4.4	11.0	3.8	4.4	3.9	8.7	4.8	.....	2.8	3.8	5.8	4.8
1956	4.1	11.1	3.4	4.2	3.6	8.3	4.4	.....	2.6	3.7	5.1	5.1
1957	4.3	11.6	3.6	4.1	3.8	7.9	4.6	.....	2.8	4.0	6.2	5.3
1958	6.8	15.9	6.2	6.1	6.1	12.6	7.2	.....	5.1	7.2	10.2	8.1
1959	5.5	14.6	4.7	5.2	4.8	10.7	5.7	.....	3.6	.....	7.6	6.6
1960	5.5	14.7	4.7	5.1	4.9	10.2	5.7	.....	3.7	.....	7.8	6.7
1961	6.7	16.8	5.7	6.3	6.0	12.4	6.8	.....	4.6	6.7	9.2	8.0
1962	5.5	14.7	4.6	5.4	4.9	10.9	5.6	.....	3.6	.....	7.4	6.7
1963	5.7	17.2	4.5	5.4	5.0	10.8	5.5	3.7	3.4	5.5	7.3	6.4
1964	5.2	16.2	3.9	5.2	4.6	9.6	5.0	3.2	2.8	4.9	6.3	5.8
1965	4.5	14.8	3.2	4.5	4.1	8.1	4.3	2.7	2.4	4.2	5.3	5.0
1966	3.8	12.8	2.5	3.8	3.4	7.3	3.5	2.2	1.9	3.5	4.2	4.2
1967	3.8	12.8	2.3	4.2	3.4	7.4	3.6	2.1	1.8	3.4	4.4	4.2
1968	3.6	12.7	2.2	3.9	3.2	6.7	3.4	1.9	1.6	3.1	4.1	4.0
1969	3.5	12.2	2.1	3.7	3.1	6.4	3.3	1.8	1.5	3.1	3.9	3.9
1970	4.9	15.2	3.5	4.8	4.5	8.2	4.8	2.9	2.6	4.5	6.2	5.3
1971	5.9	16.9	4.4	5.7	5.4	9.9	5.7	3.6	3.2	5.5	7.4	6.4
1972	5.6	16.2	4.0	5.4	5.0	10.0	5.3	3.3	2.8	5.1	6.5	6.0
1973	4.9	14.5	3.2	4.8	4.3	8.9	4.5	2.9	2.3	4.3	5.3	5.2
1974	5.6	16.0	3.8	5.5	5.0	9.9	5.3	3.3	2.7	5.1	6.7	6.1
1975	8.5	19.9	6.7	8.0	7.8	13.9	8.2	5.8	5.1	8.1	11.7	9.1
1974: Jan.	5.0	14.7	3.3	5.0	4.5	9.0	4.7	2.9	2.3	4.5	5.8	5.6
Feb.	5.1	14.8	3.5	5.0	4.5	9.2	4.9	2.9	2.4	4.5	5.9	5.5
Mar.	5.0	14.8	3.3	4.9	4.5	9.1	4.7	2.9	2.3	4.5	5.8	5.4
Apr.	5.0	14.1	3.4	4.9	4.4	8.7	4.8	3.0	2.3	4.5	6.1	5.5
May	5.1	15.3	3.3	5.0	4.6	9.1	4.9	2.9	2.2	4.5	5.7	5.6
June	5.3	16.3	3.5	5.1	4.8	9.2	5.1	3.0	2.5	4.7	6.1	5.6
July	5.5	16.9	3.6	5.3	4.9	9.9	5.2	3.1	2.7	5.0	6.3	5.8
Aug.	5.5	15.0	3.9	5.4	5.0	9.5	5.3	3.3	2.8	5.0	6.8	6.0
Sept.	5.9	16.9	4.0	5.9	5.4	9.8	5.7	3.6	2.9	5.4	7.2	6.5
Oct.	6.1	17.1	4.4	5.7	5.5	11.0	5.8	3.7	3.1	5.7	7.6	6.7
Nov.	6.7	17.7	4.8	6.7	6.1	11.7	6.5	4.1	3.5	6.3	8.5	7.3
Dec.	7.2	18.1	5.4	7.1	6.5	12.5	7.1	4.6	3.9	6.7	9.7	7.9
1975: Jan.	7.9	19.8	5.9	7.9	7.3	13.0	7.7	5.2	4.4	7.5	10.6	8.7
Feb.	8.0	19.4	6.2	7.9	7.3	13.3	7.8	5.3	4.7	7.6	10.6	8.7
Mar.	8.5	20.1	6.6	8.3	7.8	13.8	8.3	5.7	5.0	8.0	12.0	9.3
Apr.	8.6	19.7	6.8	8.5	7.9	14.1	8.7	5.8	5.3	8.3	12.6	9.4
May	8.9	20.3	7.2	8.4	8.3	14.2	9.0	6.1	5.7	8.5	12.8	9.7
June	8.7	20.7	7.0	8.2	8.0	14.0	8.7	6.1	5.5	8.4	12.4	8.9
July	8.7	20.5	7.1	8.0	8.1	13.4	8.6	6.1	5.5	8.5	12.3	8.9
Aug.	8.5	20.7	6.8	7.9	7.8	14.3	8.5	5.7	5.2	8.1	11.9	8.9
Sept.	8.6	19.4	7.2	7.8	7.8	14.4	8.5	6.0	5.5	8.4	11.9	9.1
Oct.	8.6	19.8	7.2	7.9	8.0	14.3	8.5	6.0	5.3	8.5	11.6	9.4
Nov.	8.5	19.0	7.1	7.9	7.8	13.9	8.4	5.8	5.1	8.3	11.3	9.3
Dec.	8.3	19.6	6.6	8.0	7.6	13.8	8.2	5.7	4.8	7.9	10.7	8.9

[1] Unemployment as percent of civilian labor force in group specified, except as noted.
[2] Married men living with their wives. Data for 1949 and 1951–54 are for April; 1950, for March.
[3] Data for 1949–61 are for May.
[4] Includes craft and kindred workers, operatives, and nonfarm laborers. Data for 1948–57 are based on data for January, April, July, and October.
[5] Aggregate hours lost by the unemployed and persons on part-time for economic reasons as a percent of potentially available labor force hours.

Note.—See footnote 2 and Note, Table B–22.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–25.—*Unemployment by duration, 1947–75*

[Monthly data seasonally adjusted [1]]

Year or month	Total unemployment	Duration of unemployment				Average (mean) duration in weeks
		Less than 5 weeks	5–14 weeks	15–26 weeks	27 weeks and over	
	Thousands of persons 16 years of age and over					
1947	2,311	1,210	704	234	164	----
1948	2,276	1,300	669	193	116	8.6
1949	3,637	1,756	1,194	428	256	10.0
1950	3,288	1,450	1,055	425	357	12.1
1951	2,055	1,177	574	166	137	9.7
1952	1,883	1,135	516	148	84	8.4
1953	1,834	1,142	482	132	78	8.0
1954	3,532	1,605	1,116	495	317	11.8
1955	2,852	1,335	815	366	336	13.0
1956	2,750	1,412	805	301	232	11.3
1957	2,859	1,408	891	321	239	10.5
1958	4,602	1,753	1,396	785	667	13.9
1959	3,740	1,585	1,114	469	571	14.4
1960	3,852	1,719	1,176	503	454	12.8
1961	4,714	1,806	1,376	728	804	15.6
1962	3,911	1,663	1,134	534	585	14.7
1963	4,070	1,751	1,231	535	553	14.0
1964	3,786	1,697	1,117	491	482	13.3
1965	3,366	1,628	983	404	351	11.8
1966	2,875	1,573	779	287	239	10.4
1967	2,975	1,634	893	271	177	8.8
1968	2,817	1,594	810	256	156	8.4
1969	2,832	1,629	827	242	133	7.9
1970	4,088	2,137	1,289	427	235	8.7
1971	4,993	2,234	1,578	665	517	11.3
1972	4,840	2,223	1,459	597	562	12.0
1973	4,304	2,196	1,296	475	337	10.0
1974	5,076	2,567	1,572	563	373	9.7
1975	7,830	2,894	2,452	1,290	1,193	14.1
1974: Jan.	4,536	2,377	1,378	464	330	9.6
Feb.	4,631	2,381	1,362	486	331	9.6
Mar.	4,516	2,378	1,360	497	318	9.5
Apr.	4,482	2,335	1,396	491	342	9.8
May	4,599	2,448	1,361	500	343	9.5
June	4,827	2,411	1,491	540	355	9.7
July	5,007	2,507	1,534	542	370	9.9
Aug.	4,987	2,571	1,493	572	378	9.8
Sept.	5,419	2,576	1,712	636	378	9.6
Oct.	5,584	2,758	1,792	668	397	9.9
Nov.	6,177	2,983	1,989	742	439	9.8
Dec.	6,589	3,035	2,197	832	550	10.3
1975: Jan.	7,297	3,267	2,599	940	632	10.8
Feb.	7,360	2,866	2,484	1,107	721	11.7
Mar.	7,770	3,165	2,540	1,240	738	11.4
Apr.	7,941	2,935	2,590	1,341	937	12.8
May	8,250	3,081	2,589	1,479	1,050	13.3
June	8,071	2,733	2,511	1,480	1,271	15.3
July	8,096	2,868	2,141	1,600	1,354	15.1
Aug.	7,924	2,758	2,449	1,431	1,447	15.5
Sept.	7,970	2,820	2,444	1,352	1,582	16.2
Oct.	8,062	3,015	2,446	1,238	1,481	15.6
Nov.	7,939	2,641	2,469	1,286	1,718	16.9
Dec.	7,735	2,648	2,244	1,413	1,667	17.0

[1] Because of independent seasonal adjustment of the various series, detail will not add to totals.

Note.—See footnote 2 and Note, Table B–22.

Source: Department of Labor, Bureau of Labor Statistics.

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TABLE B–26.—*Unemployment insurance programs, selected data, 1946–75*

Year or month	All programs			State programs								
				Insured unemployment		Initial claims			Insured unemployment as percent of covered employment		Benefits paid	
	Covered employment[1]	Insured unemployment (weekly average)[2 3]	Total benefits paid (millions of dollars)[2 4]	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Exhaustions[5]	Unadjusted	Seasonally adjusted	Total (millions of dollars)[4]	Average weekly check (dollars)[6]
	Thousands			Weekly average thousands					Percent			
1946	31,856	2,804	2,878.5	1,295	.....	189	.....	38	4.3	.....	1,094.9	18.50
1947	33,876	1,793	1,785.5	997	.....	187	.....	24	3.1	.....	775.1	17.83
1948	34,646	1,446	1,328.7	980	.....	200	.....	20	3.0	.....	789.9	19.03
1949	33,098	2,474	2,269.8	1,973	.....	340	.....	37	6.2	.....	1,736.0	20.48
1950	34,308	1,605	1,467.6	1,513	.....	236	.....	36	4.6	.....	1,373.1	20.76
1951	36,334	1,000	862.9	969	.....	208	.....	16	2.8	.....	840.4	21.09
1952	37,006	1,069	1,043.5	1,044	.....	215	.....	18	2.9	.....	998.2	22.79
1953	38,072	1,067	1,050.6	990	.....	218	.....	15	2.8	.....	962.2	23.58
1954	36,622	2,051	2,291.8	1,870	.....	304	.....	34	5.2	.....	2,026.9	24.93
1955	40,018	1,399	1,560.2	1,265	.....	226	.....	25	3.5	.....	1,350.3	25.04
1956	42,751	1,323	1,540.6	1,215	.....	227	.....	20	3.2	.....	1,380.7	27.02
1957	43,436	1,571	1,913.0	1,446	.....	270	.....	23	3.6	.....	1,733.9	28.17
1958	44,411	3,269	4,290.6	2,526	.....	369	.....	50	6.4	.....	3,512.7	30.58
1959	45,728	2,099	2,854.3	1,684	.....	277	.....	33	4.4	.....	2,279.0	30.41
1960	46,334	2,071	3,022.8	1,908	.....	331	.....	31	4.8	.....	2,726.7	32.87
1961	46,266	2,994	4,358.1	2,290	.....	350	.....	46	5.6	.....	3,422.7	33.80
1962	47,776	1,946	3,145.1	1,783	.....	302	.....	32	4.4	.....	2,675.4	34.56
1963	48,434	[7] 1,973	3,025.9	[7] 1,806	.....	[7] 298	.....	30	4.3	.....	2,774.7	35.27
1964	49,637	1,753	2,749.2	1,605	.....	268	.....	26	3.8	.....	2,522.1	35.92
1965	51,580	1,450	2,360.4	1,328	.....	232	.....	21	3.0	.....	2,166.0	37.19
1966	54,739	1,129	1,890.9	1,061	.....	203	.....	15	2.3	.....	1,771.3	39.75
1967	56,342	1,270	2,221.5	1,205	.....	226	.....	17	2.5	.....	2,092.3	41.25
1968	57,977	1,187	2,191.0	1,111	.....	201	.....	16	2.2	.....	2,031.6	43.43
1969	59,999	1,177	2,298.6	1,101	.....	200	.....	16	2.1	.....	2,127.9	46.17
1970	59,526	2,070	[4] 209.3	1,805	.....	296	.....	25	3.4	.....	3,848.5	50.34
1971	59,375	2,608	6,214.9	2,150	.....	295	.....	39	4.1	.....	4,957.0	53.23
1972	66,458	2,192	5,491.1	1,848	.....	261	.....	35	3.5	.....	4,471.0	56.76
1973	69,897	1,793	4,517.3	1,632	.....	246	.....	29	2.7	.....	4,007.6	59.00
1974 p	[8] 71,905	2,558	6,933.9	2,262	.....	363	.....	37	3.5	.....	5,974.9	64.25
1975 p	.....	4,920	.....	3,973	.....	472	.....	.....	6.0	.....	.....	.....
1974: Jan	.....	2,739	622.7	2,561	1,965	446	426	32	4.1	3.1	570.8	62.28
Feb	.....	2,824	599.3	2,630	2,045	359	382	32	4.2	3.2	553.3	63.35
Mar	.....	2,751	652.4	2,502	2,099	293	366	35	4.0	3.3	593.9	63.85
Apr	.....	2,564	639.3	2,217	2,099	263	294	38	3.5	3.3	552.7	63.62
May	.....	2,278	584.5	1,934	2,093	237	251	39	3.0	3.3	486.4	62.69
June	.....	2,161	472.4	1,834	2,103	269	272	40	2.9	3.3	383.4	62.50
July	.....	2,290	541.6	1,989	2,113	340	315	41	3.1	3.3	459.1	62.93
Aug	.....	2,153	530.3	1,874	2,132	283	272	40	2.9	3.3	444.9	64.14
Sept	.....	2,081	463.6	1,783	2,251	274	308	35	2.7	3.5	381.0	64.23
Oct	.....	2,246	530.3	1,947	2,478	348	338	34	3.0	3.8	442.0	65.20
Nov	.....	2,825	571.0	2,499	2,808	480	447	36	3.8	4.3	485.0	65.49
Dec	.....	3,910	848.3	3,550	3,291	703	552	42	5.4	5.0	745.9	67.22
1975: Jan	.....	5,213	1,256.6	4,752	3,652	795	565	50	7.2	5.5	1,128.2	67.83
Feb	.....	5,751	1,312.3	5,108	3,955	609	546	58	7.8	6.0	1,164.2	68.73
Mar	.....	5,886	1,490.4	5,091	4,216	510	545	66	7.7	6.4	1,290.6	69.07
Apr	.....	5,647	1,539.7	4,775	4,522	463	525	84	7.2	6.8	1,301.2	69.08
May	.....	5,202	1,395.2	4,281	4,628	401	494	92	6.4	7.0	1,145.1	69.33
June	.....	4,892	1,256.7	3,878	4,427	427	487	104	5.8	6.7	984.0	69.58
July	.....	4,990	1,406.6	3,871	4,128	480	421	105	5.8	6.2	1,086.9	71.58
Aug	.....	4,590	1,199.0	3,436	3,898	375	443	97	5.1	5.8	881.3	70.98
Sept p	.....	4,254	1,095.2	3,077	3,885	340	449	84	4.6	5.8	763.8	71.22
Oct p	.....	4,044	1,046.3	2,924	3,718	367	439	73	4.4	5.6	734.2	72.18
Nov p	.....	4,120	.....	3,045	3,429	402	386	73	4.6	5.2	.....	.....
Dec p	.....	4,460	.....	3,409	3,193	501	375	.....	5.1	4.8	.....	.....

[1] Includes persons under the State, UCFE (Federal employee, effective January 1955), and RRB (Railroad Retirement Board) programs. Beginning October 1958, also includes the UCX program (unemployment compensation for ex-servicemen).

[2] Includes State, UCFE, RR, UCX, UCV (unemployment compensation for veterans, October 1952–January 1960), and SRA (Servicemen's Readjustment Act, September 1944–September 1951) programs. Also includes Federal and State extended benefit programs. Does not include FSB (Federal Supplemental Benefits) and SUA (Special Unemployment Assistance) programs.

[3] Covered workers who have completed at least 1 week of unemployment.

[4] Annual data are net amounts and monthly data are gross amounts.

[5] Individuals receiving final payments in benefit year.

[6] For total unemployment only.

[7] Programs include Puerto Rican sugarcane workers for initial claims and insured unemployment beginning July 1963.

[8] Latest data available for all programs combined. Workers covered by State programs account for about 92 percent of the total.

Source: Department of Labor, Employment and Training Administration.

TABLE B–27.—*Wage and salary workers in nonagricultural establishments, 1929–75*

[All employees; thousands of persons; monthly data seasonally adjusted]

Year or month	Total wage and salary workers	Manufacturing			Mining	Contract construction	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services	Government	
		Total	Durable goods	Nondurable goods							Federal	State and local
1929	31,339	10,702	.....	.....	1,087	1,497	3,916	6,123	1,509	3,440	533	2,532
1933	23,711	7,397	.....	.....	744	809	2,672	4,755	1,295	2,873	565	2,601
1939	30,618	10,278	4,715	5,564	854	1,150	2,936	6,426	1,462	3,517	905	3,090
1940	32,376	10,985	5,363	5,622	925	1,294	3,038	6,750	1,502	3,681	996	3,206
1941	36,554	13,192	6,968	6,225	957	1,790	3,274	7,210	1,549	3,921	1,340	3,320
1942	40,125	15,280	8,823	6,458	992	2,170	3,460	7,118	1,538	4,084	2,213	3,270
1943	42,452	17,602	11,084	6,518	925	1,567	3,647	6,982	1,502	4,148	2,905	3,174
1944	41,883	17,328	10,856	6,472	892	1,094	3,829	7,058	1,476	4,163	2,928	3,116
1945	40,394	15,524	9,074	6,450	836	1,132	3,906	7,314	1,497	4,241	2,808	3,137
1946	41,674	14,703	7,742	6,962	862	1,661	4,061	8,376	1,697	4,719	2,254	3,341
1947	43,881	15,545	8,585	7,159	955	1,982	4,166	8,955	1,754	5,050	1,892	3,582
1948	44,891	15,582	8,326	7,256	994	2,169	4,189	9,272	1,829	5,206	1,863	3,787
1949	43,778	14,441	7,489	6,953	930	2,165	4,001	9,264	1,857	5,264	1,908	3,948
1950	45,222	15,241	8,094	7,147	901	2,333	4,034	9,386	1,919	5,382	1,928	4,098
1951	47,849	16,393	9,089	7,304	929	2,603	4,226	9,742	1,991	5,576	2,302	4,087
1952	48,825	16,632	9,349	7,284	898	2,634	4,248	10,004	2,069	5,730	2,420	4,188
1953	50,232	17,549	10,110	7,438	866	2,623	4,290	10,247	2,146	5,867	2,305	4,340
1954	49,022	16,314	9,129	7,185	791	2,612	4,084	10,235	2,234	6,002	2,188	4,563
1955	50,675	16,882	9,541	7,340	792	2,802	4,141	10,535	2,315	6,274	2,187	4,727
1956	52,408	17,243	9,834	7,409	822	2,999	4,244	10,858	2,429	6,536	2,209	5,069
1957	52,894	17,174	9,856	7,319	828	2,923	4,241	10,886	2,477	6,749	2,217	5,399
1958	51,363	15,945	8,830	7,116	751	2,778	3,976	10,750	2,519	6,806	2,191	5,648
1959	53,313	16,675	9,373	7,303	732	2,960	4,011	11,127	2,594	7,130	2,233	5,850
1960	54,234	16,796	9,459	7,336	712	2,885	4,004	11,391	2,669	7,423	2,270	6,083
1961	54,042	16,326	9,070	7,256	672	2,816	3,903	11,337	2,731	7,664	2,279	6,315
1962	55,596	16,853	9,480	7,373	650	2,902	3,906	11,566	2,800	8,028	2,340	6,550
1963	56,702	16,995	9,616	7,380	635	2,963	3,903	11,778	2,877	8,325	2,358	6,868
1964	58,331	17,274	9,816	7,458	634	3,050	3,951	12,160	2,957	8,709	2,348	7,248
1965	60,815	18,062	10,406	7,656	632	3,186	4,036	12,716	3,020	9,087	2,378	7,696
1966	63,955	19,214	11,284	7,930	627	3,275	4,151	13,245	3,100	9,551	2,564	8,227
1967	65,857	19,447	11,439	8,008	613	3,208	4,261	13,606	3,225	10,099	2,719	8,679
1968	67,951	19,781	11,626	8,155	606	3,306	4,311	14,099	3,381	10,622	2,737	9,109
1969	70,442	20,167	11,895	8,272	619	3,525	4,435	14,704	3,562	11,228	2,758	9,444
1970	70,920	19,349	11,195	8,154	623	3,536	4,504	15,040	3,687	11,621	2,731	9,830
1971	71,222	18,572	10,597	7,975	609	3,639	4,457	15,352	3,802	11,903	2,696	10,192
1972	73,714	19,090	11,006	8,084	625	3,831	4,517	15,975	3,943	12,392	2,684	10,656
1973	76,896	20,068	11,839	8,229	644	4,015	4,644	16,674	4,091	13,021	2,663	11,075
1974	78,413	20,046	11,895	8,151	694	3,957	4,696	17,017	4,208	13,617	2,724	11,453
1975 p	7,668	18,344	10,676	7,668	745	3,455	4,499	16,950	4,222	13,997	2,748	12,023

See footnotes at end of table.

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TABLE B–27.—*Wage and salary workers in nonagricultural establishments, 1929–75*—Continued

[All employees; thousands of persons; monthly data seasonally adjusted]

Year or month	Total wage and salary workers	Manufacturing			Mining	Contract construction	Transportation and public utilities	Wholesale and retail trade	Finance, insurance, and real estate	Services	Government	
		Total	Durable goods	Nondurable goods							Federal	State and local
1973: Jan	75,516	19,717	11,522	8,195	628	3,899	4,596	16,382	4,018	12,724	2,671	10,881
Feb	75,915	19,851	11,633	8,218	629	3,940	4,604	16,486	4,034	12,788	2,661	10,922
Mar	76,159	19,920	11,686	8,234	629	3,962	4,614	16,541	4,049	12,829	2,662	10,953
Apr	76,367	19,975	11,735	8,240	630	3,955	4,627	16,573	4,061	12,887	2,660	10,999
May	76,569	20,010	11,788	8,222	632	3,987	4,630	16,626	4,072	12,919	2,664	11,029
June	76,878	20,085	11,844	8,241	637	4,028	4,635	16,673	4,081	12,985	2,655	11,099
July	76,940	20,068	11,862	8,206	644	4,059	4,639	16,689	4,095	13,022	2,626	11,098
Aug	77,207	20,116	11,907	8,209	649	4,047	4,658	16,739	4,114	13,100	2,651	11,133
Sept	77,366	20,131	11,925	8,206	651	4,070	4,670	16,776	4,127	13,169	2,659	11,113
Oct	77,673	20,245	12,001	8,244	666	4,049	4,690	16,836	4,136	13,208	2,662	11,181
Nov	77,973	20,324	12,058	8,266	665	4,064	4,686	16,894	4,145	13,288	2,671	11,236
Dec	78,058	20,367	12,097	8,270	668	4,080	4,682	16,854	4,157	13,310	2,682	11,258
1974: Jan	78,068	20,324	12,047	8,277	672	4,064	4,710	16,864	4,172	13,313	2,681	11,268
Feb	78,196	20,222	11,966	8,256	674	4,116	4,721	16,875	4,186	13,400	2,696	11,306
Mar	78,236	20,185	11,947	8,238	677	4,089	4,711	16,898	4,196	13,453	2,699	11,328
Apr	78,351	20,209	11,996	8,213	685	4,049	4,707	16,933	4,202	13,488	2,705	11,373
May	78,486	20,189	11,975	8,214	689	4,029	4,704	17,009	4,209	13,559	2,713	11,385
June	78,530	20,201	12,004	8,197	692	3,969	4,700	17,038	4,206	13,608	2,721	11,395
July	78,648	20,202	12,024	8,178	698	3,913	4,695	17,123	4,206	13,656	2,730	11,425
Aug	78,733	20,134	11,962	8,172	701	3,938	4,703	17,135	4,217	13,696	2,740	11,469
Sept	78,830	20,104	11,943	8,161	708	3,902	4,683	17,143	4,224	13,767	2,746	11,553
Oct	78,790	19,972	11,870	8,102	728	3,872	4,686	17,154	4,228	13,797	2,745	11,608
Nov	78,374	19,638	11,656	7,982	722	3,826	4,683	17,058	4,226	13,822	2,742	11,657
Dec	77,723	19,190	11,357	7,833	686	3,770	4,659	16,935	4,229	13,833	2,738	11,683
1975: Jan	77,319	18,798	11,099	7,699	723	3,749	4,603	16,903	4,219	13,857	2,734	11,733
Feb	76,804	18,375	10,813	7,562	724	3,592	4,565	16,879	4,210	13,865	2,733	11,861
Mar	76,468	18,226	10,728	7,498	729	3,467	4,506	16,851	4,207	13,864	2,733	11,885
Apr	76,462	18,155	10,637	7,518	732	3,441	4,508	16,847	4,209	13,878	2,731	11,961
May	76,510	18,162	10,595	7,567	738	3,439	4,491	16,857	4,208	13,889	2,732	11,994
June	76,343	18,100	10,527	7,573	741	3,392	4,469	16,877	4,202	13,871	2,738	11,953
July	76,679	18,084	10,465	7,619	743	3,395	4,464	16,984	4,203	13,990	2,745	12,071
Aug	77,023	18,254	10,563	7,691	749	3,415	4,466	17,016	4,218	14,050	2,756	12,099
Sept	77,310	18,417	10,650	7,767	752	3,432	4,467	17,045	4,239	14,113	2,765	12,080
Oct	77,555	18,493	10,661	7,832	774	3,402	4,476	17,043	4,246	14,157	2,767	12,197
Nov p	77,558	18,471	10,643	7,828	767	3,403	4,501	17,020	4,248	14,189	2,761	12,198
Dec p	77,798	18,551	10,697	7,854	772	3,389	4,481	17,096	4,259	14,251	2,758	12,241

Note.—Data in Tables B–27 through B–29 are based on reports from employing establishments and relate to full- and part-time wage and salary workers in nonagricultural establishments who worked during, or received pay for, any part of the pay period which includes the 12th of the month.

Not comparable with labor force data (Tables B–22 through B–25), which include proprietors, self-employed persons, domestic servants, and unpaid family workers; which count persons as employed when they are not at work because of industrial disputes, bad weather, etc.; and which are based on a sample of the working-age population, whereas the estimates in this table are based on reports from employing establishments.

For description and details of the various establishment data, see "Employment and Earnings."

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–28.—*Average weekly hours and hourly earnings in selected private nonagricultural industries, 1947–75*

[For production or nonsupervisory workers; monthly data seasonally adjusted]

Year or month	Average weekly hours				Average gross hourly earnings, current dollars				Adjusted hourly earnings, total private nonagricultural [2]			
									Index, 1967=100		Percent change from preceding period [5]	
	Total private nonagricultural [1]	Manufacturing	Contract construction	Retail trade [3]	Total private nonagricultural [1]	Manufacturing	Contract construction	Retail trade [3]	Current dollars	1967 dollars [4]	Current dollars	1967 dollars
1947	40.3	40.4	38.2	40.3	$1.131	$1.217	$1.541	$0.838	42.6	63.7		
1948	40.0	40.0	38.1	40.2	1.225	1.328	1.713	.901	46.0	63.8	8.0	0.2
1949	39.4	39.1	37.7	40.4	1.275	1.378	1.792	.951	48.2	67.5	4.8	5.8
1950	39.8	40.5	37.4	40.4	1.335	1.440	1.863	.983	50.0	69.3	3.7	2.7
1951	39.9	40.6	38.1	40.4	1.45	1.56	2.02	1.06	53.7	69.0	7.4	−.4
1952	39.9	40.7	38.9	39.8	1.52	1.65	2.13	1.09	56.4	70.9	5.0	2.8
1953	39.6	40.5	37.9	39.1	1.61	1.74	2.28	1.16	59.6	74.4	5.7	4.9
1954	39.1	39.6	37.2	39.2	1.65	1.78	2.39	1.20	61.7	76.6	3.5	3.0
1955	39.6	40.7	37.1	39.0	1.71	1.86	2.45	1.25	63.7	79.4	3.2	3.7
1956	39.3	40.4	37.5	38.6	1.80	1.95	2.57	1.30	67.0	82.3	5.2	3.7
1957	38.8	39.8	37.0	38.1	1.89	2.05	2.71	1.37	70.3	83.4	4.9	1.3
1958	38.5	39.2	36.8	38.1	1.95	2.11	2.82	1.42	73.2	84.5	4.1	1.3
1959	39.0	40.3	37.0	38.2	2.02	2.19	2.93	1.47	75.8	86.8	3.6	2.7
1960	38.6	39.7	36.7	38.0	2.09	2.26	3.08	1.52	78.4	88.4	3.4	1.8
1961	38.6	39.8	36.9	37.6	2.14	2.32	3.20	1.56	80.8	90.2	3.1	2.0
1962	38.7	40.4	37.0	37.4	2.22	2.39	3.31	1.63	83.5	92.2	3.3	2.2
1963	38.8	40.5	37.3	37.3	2.28	2.46	3.41	1.68	85.9	93.7	2.9	1.6
1964	38.7	40.7	37.2	37.0	2.36	2.53	3.55	1.75	88.3	95.1	2.8	1.5
1965	38.8	41.2	37.4	36.6	2.45	2.61	3.70	1.82	91.6	97.0	3.7	2.0
1966	38.6	41.3	37.6	35.9	2.56	2.72	3.89	1.91	95.4	98.1	4.1	1.1
1967	38.0	40.6	37.7	35.3	2.68	2.83	4.11	2.01	100.0	100.0	4.8	1.9
1968	37.8	40.7	37.3	34.7	2.85	3.01	4.41	2.16	106.3	102.0	6.3	2.0
1969	37.7	40.6	37.9	34.2	3.04	3.19	4.79	2.30	113.3	103.2	6.6	1.2
1970	37.1	39.8	37.3	33.8	3.22	3.36	5.24	2.44	120.8	103.9	6.6	.7
1971	37.0	39.9	37.2	33.7	3.44	3.57	5.69	2.57	129.4	106.7	7.1	2.7
1972	37.1	40.6	36.9	33.7	3.67	3.81	6.03	2.70	137.8	110.0	6.5	3.1
1973	37.1	40.7	37.0	33.3	3.92	4.08	6.37	2.87	146.6	110.1	6.4	.1
1974	36.6	40.0	36.9	32.7	4.22	4.41	6.75	3.09	158.6	107.4	8.2	−2.5
1975 [p]	36.1	39.4	36.6	32.4	4.54	4.81	7.24	3.33	172.6	107.1	8.8	−.3
1974: Jan.	36.7	40.5	36.4	32.9	4.06	4.21	6.48	2.98	151.8	108.4	4.7	−8.0
Feb.	36.9	40.4	37.6	33.0	4.08	4.23	6.51	2.98	152.8	107.9	8.2	−5.5
Mar.	36.8	40.4	36.8	32.9	4.10	4.25	6.57	3.01	153.9	107.5	8.6	−3.8
Apr.	36.4	39.3	36.4	33.1	4.12	4.26	6.60	3.00	154.7	107.4	6.4	−1.6
May	36.7	40.3	36.8	32.9	4.17	4.34	6.63	3.08	156.5	107.6	15.4	2.3
June	36.6	40.2	36.9	32.7	4.21	4.40	6.72	3.09	158.5	107.9	15.9	3.9
July	36.7	40.2	36.9	32.6	4.24	4.44	6.76	3.12	159.2	107.5	5.4	−4.8
Aug.	36.6	40.1	36.6	32.6	4.27	4.49	6.89	3.14	160.6	107.2	11.2	−3.0
Sept.	36.5	39.9	36.7	32.5	4.31	4.53	6.92	3.15	162.0	107.0	11.6	−3.0
Oct.	36.5	40.0	37.1	32.4	4.34	4.57	6.90	3.18	163.3	106.8	9.8	−1.3
Nov.	36.2	39.5	37.0	32.5	4.35	4.59	6.96	3.18	164.2	106.4	6.4	−4.8
Dec.	36.3	39.4	37.4	32.5	4.38	4.62	7.00	3.20	165.4	106.4	9.7	−.1
1975: Jan.	36.2	39.2	37.2	32.4	4.41	4.65	7.03	3.23	166.3	106.3	6.3	−1.5
Feb.	36.1	38.8	36.8	32.3	4.43	4.68	6.98	3.26	167.8	106.6	11.4	4.3
Mar.	35.9	38.9	34.9	32.5	4.46	4.72	7.18	3.27	169.1	107.2	9.7	6.1
Apr.	35.9	39.1	36.8	32.3	4.47	4.73	7.18	3.29	169.4	106.8	2.6	−4.5
May	35.9	39.0	36.9	32.5	4.49	4.75	7.16	3.31	170.6	107.1	8.5	4.0
June	36.0	39.3	35.7	32.4	4.51	4.78	7.27	3.32	172.2	107.3	12.2	2.4
July	36.0	39.4	36.2	32.2	4.54	4.82	7.33	3.34	173.1	106.6	6.3	−7.3
Aug.	36.2	39.7	36.7	32.3	4.57	4.86	7.30	3.37	174.6	107.4	11.1	8.9
Sept.	36.1	39.8	36.7	32.2	4.60	4.88	7.32	3.38	175.2	107.3	4.1	−1.6
Oct.	36.2	39.8	36.6	32.3	4.63	4.90	7.32	3.41	176.7	107.5	10.8	2.5
Nov. [p]	36.3	39.9	36.8	32.5	4.67	4.93	7.38	3.42	178.0	107.5	8.9	.3
Dec. [p]	36.5	40.3	37.5	32.4	4.67	4.95	7.38	3.41	178.0	107.0	.3	−5.4

[1] Also includes other private industry groups shown in Table B–27.
[2] Includes eating and drinking places.
[3] Adjusted for overtime (in manufacturing only) and for interindustry employment shifts.
[4] Current dollar earnings index divided by the consumer price index.
[5] Monthly data are annual rates, computed from indexes to two decimal places.

Note.—See Note, Table B–27.

Source: Department of Labor, Bureau of Labor Statistics.

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TABLE B–29.—*Average weekly earnings in selected private nonagricultural industries, 1947–75*

[For production or nonsupervisory workers; monthly data seasonally adjusted]

Year or month	Average gross weekly earnings					Average spendable weekly earnings, total private nonagricultural [4]			
	Total private nonagricultural [1]		Manufacturing	Contract construction	Retail trade [3]	Amount		Percent change from preceding period [5]	
	Current dollars	1967 dollars [2]	Current dollars			Current dollars	1967 dollars [2]	Current dollars	1967 dollars
1947	$45.58	$68.13	$49.17	$58.87	$33.77	$44.64	$66.73		
1948	49.00	67.96	53.12	65.27	36.22	48.51	67.28	8.7	0.8
1949	50.24	70.36	53.88	67.56	38.42	49.74	69.66	2.5	3.5
1950	53.13	73.69	58.32	69.68	39.71	52.04	72.18	4.6	3.6
1951	57.86	74.37	63.34	76.96	42.82	55.79	71.71	7.2	−.7
1952	60.65	76.29	67.16	82.86	43.38	57.87	72.79	3.7	1.5
1953	63.76	79.60	70.47	86.41	45.36	60.31	75.29	4.2	3.4
1954	64.52	80.15	70.49	88.91	47.04	60.85	75.59	.9	.4
1955	67.72	84.44	75.70	90.90	48.75	63.41	79.06	4.2	4.6
1956	70.74	86.90	78.78	96.38	50.18	65.82	80.86	3.8	2.3
1957	73.33	86.99	81.59	100.27	52.20	67.71	80.32	2.9	−.7
1958	75.08	86.70	82.71	103.78	54.10	69.11	79.80	2.1	−.6
1959	78.78	90.24	88.26	108.41	56.15	71.86	82.31	4.0	3.1
1960	80.67	90.95	89.72	113.04	57.76	72.96	82.25	1.5	−.1
1961	82.60	92.19	92.34	118.08	58.66	74.48	83.13	2.1	1.1
1962	85.91	94.82	96.56	122.47	60.96	76.99	84.98	3.4	2.2
1963	88.46	96.47	99.63	127.19	62.66	78.56	85.67	2.0	.8
1964	91.33	98.31	102.97	132.06	64.75	82.57	88.88	5.1	3.7
1965	95.06	100.59	107.53	138.38	66.61	86.30	91.32	4.5	2.7
1966	98.82	101.67	112.34	146.26	68.57	88.66	91.21	2.7	−.1
1967	101.84	101.84	114.90	154.95	70.95	90.86	90.86	2.5	−.4
1968	107.73	103.39	122.51	164.49	74.95	95.28	91.44	4.9	.6
1969	114.61	104.38	129.51	181.54	78.66	99.99	91.07	4.9	−.4
1970	119.46	102.72	133.73	195.45	82.47	104.61	89.95	4.6	−1.2
1971	127.28	104.93	142.44	211.67	86.61	112.41	92.67	7.5	3.0
1972	136.16	108.67	154.69	222.51	90.99	121.09	96.64	7.7	4.3
1973	145.43	109.26	166.06	235.69	95.57	127.41	95.73	5.2	−.9
1974	154.45	104.57	176.40	249.08	101.04	134.37	90.97	5.5	−5.0
1975 [p]	163.89	101.67	189.51	264.98	107.89	145.93	90.53	8.6	−.5
1974: Jan.	149.00	106.40	170.51	235.87	98.04	130.16	92.94	[6] −3.4	[6] −15.0
Feb.	150.55	106.30	170.89	244.78	98.34	131.36	92.75	11.6	−2.4
Mar.	150.88	105.46	171.70	241.78	99.03	131.61	91.99	2.3	−9.4
Apr.	149.97	104.15	167.42	240.24	99.30	130.91	90.91	−6.2	−13.2
May	153.04	105.20	174.90	243.98	101.33	133.28	91.62	24.0	9.8
June	154.09	104.96	176.88	247.97	101.04	134.09	91.34	7.5	−3.6
July	155.61	105.11	178.49	249.44	101.71	135.26	91.37	11.0	.4
Aug.	156.28	104.37	180.05	252.17	102.36	135.78	90.68	4.7	−8.7
Sept.	157.32	103.85	180.75	253.96	102.38	136.58	90.16	7.3	−6.7
Oct.	158.41	103.64	182.80	255.99	103.03	137.42	89.91	7.6	−3.3
Nov.	157.47	102.07	181.31	257.52	103.35	136.70	88.61	−6.1	−16.0
Dec.	158.99	102.26	182.03	261.80	104.00	137.87	88.67	10.8	.8
1975: Jan.	159.64	102.02	182.28	261.52	104.65	138.38	88.43	[6] 4.5	[6] −3.2
Feb.	159.92	101.64	181.58	256.86	105.30	138.59	88.08	1.8	−4.6
Mar.	160.11	101.48	183.61	250.58	106.28	138.73	87.93	1.2	−2.0
Apr.	160.47	101.11	184.94	264.22	106.27	139.00	87.58	2.4	−4.7
May	161.19	101.21	185.25	264.20	107.58	146.00	91.67	[6] 7.9	[6] 2.9
June	162.36	101.16	187.85	259.54	107.57	146.91	91.53	7.7	−1.8
July	163.44	100.67	189.91	265.35	107.55	147.76	91.01	7.2	−6.6
Aug.	165.43	101.73	192.94	267.91	108.85	149.31	91.82	13.3	11.2
Sept.	166.06	101.65	194.22	268.64	108.84	149.81	91.70	4.1	−1.6
Oct.	167.61	101.93	195.02	267.91	110.14	151.02	91.84	10.1	1.8
Nov [p]	169.52	102.39	196.71	271.58	111.15	152.48	92.09	12.2	3.3
Dec [p]	170.46	102.45	199.49	276.75	110.48	153.20	92.08	5.8	−.1

[1] Also includes other private industry groups shown in Table B-27.
[2] Earnings in current dollars divided by the consumer price index.
[3] Includes eating and drinking places.
[4] Average gross weekly earnings less social security and income taxes for a worker with three dependents.
[5] Monthly data are annual rates.
[6] In annualizing the rates of change, the effect of the change in tax rates at the beginning of 1974 and 1975 and in May 1975 is taken into account separately.

Note.—See Note, Table B–27.

Source: Department of Labor, Bureau of Labor Statistics.

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TABLE B–30.—*Productivity and related data, private economy, 1947–75*

[1967=100; quarterly data seasonally adjusted]

Year or quarter	Output [1]		Hours of all persons [2]		Output per hour of all persons		Compensation per hour [3]		Unit labor costs		Implicit price deflator [4]	
	Total private	Private non-farm	Total private	Private non-farm	Total private	Private non-farm	Total private	Private non-farm	Total private	Private non-farm	Total private	Private non-farm
1947	46.7	45.5	89.3	78.4	52.3	58.1	35.8	38.0	68.5	65.4	65.2	62.6
1948	48.9	47.6	89.8	79.5	54.5	59.9	39.0	41.4	71.5	69.1	69.6	66.7
1949	48.8	47.5	86.9	76.5	56.2	62.0	39.7	42.7	70.6	68.8	68.9	67.3
1950	53.4	52.1	88.1	79.1	60.6	65.8	42.3	45.0	69.9	68.3	70.0	68.5
1951	56.7	55.6	90.6	82.5	62.6	67.4	46.4	49.0	74.2	72.7	75.2	73.1
1952	58.5	57.4	90.7	83.3	64.5	68.9	49.4	51.7	76.6	75.0	76.1	74.4
1953	61.1	60.0	91.6	85.3	66.7	70.3	52.6	54.6	78.8	77.7	77.0	76.1
1954	60.3	59.1	88.6	82.5	68.0	71.6	54.3	56.4	79.8	78.7	77.9	77.3
1955	64.9	63.7	92.2	86.1	70.4	74.0	55.6	58.3	79.0	78.8	79.1	78.9
1956	66.3	65.2	93.8	88.4	70.7	73.8	59.2	61.8	83.7	83.7	81.6	81.4
1957	67.3	66.4	92.5	88.0	72.8	75.5	63.0	65.3	86.5	86.5	84.3	84.3
1958	67.0	65.9	88.7	84.7	75.6	77.8	65.8	67.7	87.0	87.0	85.5	85.1
1959	71.5	70.7	91.8	88.0	77.9	80.3	68.9	70.8	88.4	88.2	87.1	87.0
1960	73.0	72.1	92.5	89.1	79.0	80.9	71.6	73.6	90.6	91.0	88.5	88.4
1961	74.6	73.7	91.1	88.1	81.9	83.7	74.3	76.1	90.7	91.0	89.1	89.1
1962	79.1	78.4	92.6	90.0	85.5	87.1	77.8	79.3	91.0	91.0	90.5	90.4
1963	82.4	81.8	93.2	91.1	88.4	89.8	80.7	82.1	91.3	91.4	91.5	91.6
1964	86.9	86.5	94.6	93.0	91.9	93.0	85.1	86.0	92.6	92.5	92.5	92.7
1965	92.3	92.0	97.5	96.4	94.6	95.4	88.5	89.1	93.5	93.4	94.4	94.3
1966	97.8	97.8	99.7	99.5	98.0	98.4	94.7	94.6	96.6	96.2	97.3	97.0
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.5	104.7	101.7	102.0	102.7	102.6	107.7	107.4	104.8	104.7	104.1	104.1
1969	107.2	107.5	104.3	105.2	102.8	102.2	115.4	114.6	112.3	112.1	109.2	109.1
1970	106.8	106.9	102.8	104.0	103.9	102.8	123.6	122.4	119.0	119.0	114.3	114.4
1971	110.2	110.2	102.4	103.6	107.7	106.4	132.1	130.7	122.6	122.9	119.6	119.8
1972	117.4	117.7	105.6	107.0	111.2	110.0	140.0	138.8	125.9	126.2	123.8	123.5
1973	124.3	124.7	109.3	111.1	113.7	112.2	151.4	149.6	133.2	133.4	130.8	128.6
1974	121.5	122.0	109.6	111.5	110.8	109.5	165.8	163.9	149.6	149.7	143.4	141.6
1975 p	118.5	118.5	105.5	107.2	112.3	110.5	180.9	178.5	161.1	161.6	156.7	155.6
1973: I	123.6	123.9	108.1	109.9	114.4	112.8	147.6	145.7	129.1	129.1	127.2	125.9
II	123.7	124.2	109.3	111.1	113.2	111.7	149.5	147.7	132.1	132.2	129.4	127.5
III	124.6	125.3	110.0	111.8	113.3	112.0	152.1	150.4	139.2	134.2	131.8	129.1
IV	125.0	125.3	110.5	112.4	113.2	111.6	155.5	153.8	137.4	137.8	134.6	132.0
1974: I	123.3	123.9	110.4	111.9	111.7	110.7	158.4	157.0	141.8	141.9	137.5	134.7
II	122.5	123.0	110.3	112.2	111.0	109.7	163.4	161.5	147.1	147.2	141.0	139.6
III	121.6	122.2	110.1	112.1	110.5	109.0	168.2	165.9	152.2	152.2	145.4	144.0
IV	118.7	119.1	108.5	110.3	109.4	108.0	172.1	170.2	157.3	157.6	150.1	148.6
1975: I	115.6	115.5	105.3	107.2	109.8	107.7	176.6	173.9	160.9	161.5	153.5	152.8
II	116.5	116.7	104.6	106.3	111.4	109.8	179.3	176.8	161.0	161.0	155.1	154.1
III	120.1	120.0	105.3	106.8	114.0	112.3	182.3	180.6	159.8	160.8	157.8	156.4
IV p	121.9	121.8	106.6	108.5	114.3	112.2	185.6	183.3	162.4	163.3	160.3	159.0

[1] Output refers to gross domestic product originating in the sector in 1972 dollars.

[2] Hours of all persons in private industry engaged in production, including hours of proprietors and unpaid family workers. Estimates based primarily on establishment data.

[3] Wages and salaries of employees plus employers' contributions for social insurance and private benefit plans. Also includes an estimate of wages, salaries, and supplemental payments for the self-employed.

[4] Current dollar gross domestic product divided by constant dollar gross domestic product.

Source: Department of Labor, Bureau of Labor Statistics.

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TABLE B–31.—*Changes in productivity and related data, private economy, 1948–75*

[Percent change from preceding period; quarterly data at seasonally adjusted annual rates]

Year or quarter	Output [1]		Hours of all persons [2]		Output per hour of all persons		Compensation per hour [3]		Unit labor costs		Implicit price deflator [4]	
	Total private	Private nonfarm	Total private	Private nonfarm	Total private	Private nonfarm	Total private	Private nonfarm	Total private	Private nonfarm	Total private	Private nonfarm
1948	4.7	4.5	0.5	1.3	4.1	3.1	8.7	8.9	4.4	5.6	6.8	6.6
1949	−.3	−.3	−3.2	−3.7	3.0	3.6	1.8	3.1	−1.2	−.5	−.9	1.0
1950	9.5	9.7	1.5	3.4	7.9	6.1	6.7	5.5	−1.1	−.6	1.5	1.7
1951	6.2	6.8	2.8	4.3	3.3	2.4	9.8	8.8	6.3	6.3	7.5	6.8
1952	3.1	3.2	.1	.9	3.0	2.2	6.3	5.5	3.2	3.2	1.2	1.7
1953	4.6	4.6	1.1	2.4	3.5	2.1	6.5	5.7	2.9	3.6	1.2	2.2
1954	−1.4	−1.6	−3.3	−3.3	2.0	1.8	3.3	3.2	1.3	1.3	1.2	1.6
1955	7.7	7.9	4.0	4.4	3.5	3.4	2.4	3.5	−1.0	.1	1.6	2.1
1956	2.1	2.2	1.7	2.6	.4	−.3	6.4	5.9	6.0	6.2	3.1	3.2
1957	1.6	1.9	−1.3	−.4	3.0	2.3	6.5	5.7	3.4	3.4	3.4	3.5
1958	−.5	−.7	−4.1	−3.7	3.8	3.1	4.4	3.7	.5	.6	1.3	1.0
1959	6.7	7.3	3.5	3.9	3.1	3.2	4.8	4.6	1.6	1.3	1.9	2.2
1960	2.1	2.0	.8	1.3	1.3	.7	3.8	3.9	2.5	3.2	1.5	1.6
1961	2.2	2.3	−1.5	−1.1	3.8	3.4	3.8	3.3	.1	−.1	.7	.8
1962	6.1	6.4	1.6	2.1	4.4	4.1	4.7	4.2	.3	.0	1.6	1.5
1963	4.2	4.3	.7	1.2	3.5	3.1	3.8	3.6	.3	.5	1.1	1.3
1964	5.5	5.8	1.5	2.1	3.9	3.6	5.4	4.8	1.4	1.2	1.1	1.3
1965	6.2	6.3	3.1	3.6	3.0	2.6	4.0	3.6	1.0	1.0	2.0	1.7
1966	5.9	6.4	2.2	3.2	3.6	3.1	7.0	6.2	3.3	3.0	3.1	2.8
1967	2.3	2.2	.3	.5	2.0	1.7	5.6	5.7	3.5	3.9	2.8	3.1
1968	4.5	4.7	1.7	2.0	2.7	2.6	7.7	7.4	4.8	4.7	4.1	4.1
1969	2.6	2.7	2.5	3.1	.1	−.4	7.2	6.7	7.1	7.1	4.9	4.7
1970	−.4	−.5	−1.4	−1.1	1.1	.6	7.1	6.8	6.0	6.1	4.7	4.9
1971	3.2	3.1	−.5	−.3	3.7	3.4	6.8	6.8	3.1	3.3	4.6	4.7
1972	6.5	6.8	3.1	3.3	3.2	3.4	6.0	6.2	2.7	2.7	3.5	3.1
1973	5.9	5.9	3.6	3.8	2.2	2.0	8.2	7.8	5.8	5.7	5.6	4.2
1974	−2.2	−2.1	.3	.3	−2.5	−2.4	9.5	9.5	12.3	12.2	9.7	10.1
1975 p	−2.5	−2.9	−3.7	−3.8	1.3	.9	9.1	8.9	7.7	8.0	9.3	9.9
1973: I	10.0	9.1	5.0	6.1	4.8	2.8	13.6	11.4	8.4	8.4	6.2	4.2
II	.3	.7	4.5	4.5	−4.1	−3.6	5.2	5.9	9.7	9.9	7.3	5.1
III	3.0	3.7	2.7	2.6	.3	1.1	6.9	7.3	6.6	6.2	7.6	5.1
IV	1.3	.1	1.7	1.8	−.4	−1.7	9.4	9.3	9.8	11.2	8.6	9.3
1974: I	−5.6	−4.7	−.5	−1.6	−5.1	−3.1	7.7	8.8	13.6	12.3	8.9	8.5
II	−2.5	−2.6	−.2	1.0	−2.3	−3.6	13.1	11.8	15.8	15.9	10.6	15.2
III	−2.9	−2.7	−.9	−.3	−2.0	−2.4	12.4	11.6	14.7	14.3	13.1	13.2
IV	−9.1	−9.7	−5.6	−6.1	−3.7	−3.8	9.7	10.7	13.9	15.0	13.8	13.4
1975: I	−10.2	−11.7	−11.3	−10.9	1.2	−.9	10.7	9.1	9.4	10.1	9.1	11.9
II	3.2	4.4	−2.7	−3.4	6.0	8.0	6.4	6.8	.4	−1.1	4.2	3.5
III	13.1	11.7	2.9	2.1	9.9	9.4	6.7	8.7	−2.9	−.7	7.4	6.2
IV p	6.1	6.2	5.1	6.6	1.0	−.3	7.5	6.1	6.5	6.5	6.3	6.9

[1] Output refers to gross domestic product originating in the sector in 1972 dollars.

[2] Hours of all persons in private industry engaged in production, including hours of proprietors and unpaid family workers. Estimates based primarily on establishment data.

[3] Wages and salaries of employees plus employers' contributions for social insurance and private benefit plans. Also includes an estimate of wages, salaries, and supplemental payments for the self-employed.

[4] Current dollar gross domestic product divided by constant dollar gross domestic product.

Note.—Percent changes are based on original data and therefore may differ slightly from percent changes based on indexes in Table B–30.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–32.—*Industrial production indexes, major industry divisions, 1929–75*

[1967=100; monthly data seasonally adjusted]

Year or month	Total industrial production	Manufacturing			Mining	Utilities
		Total	Durable	Nondurable		
1929	21.6	22.8	22.6	23.0	44.4	7.2
1933	13.7	14.0	9.1	19.7	31.5	6.5
1939	21.7	21.5	17.8	25.9	43.4	10.4
1940	25.0	25.4	23.7	27.2	48.2	11.5
1941	31.6	32.4	31.6	32.9	51.2	13.0
1942	36.3	37.8	40.1	34.3	52.8	14.6
1943	44.0	47.0	54.5	38.7	54.0	16.1
1944	47.4	50.9	60.2	38.2	57.9	17.1
1945	40.6	42.6	45.5	38.1	56.8	17.4
1946	35.0	35.3	31.8	39.3	55.8	18.1
1947	39.4	39.4	37.9	40.9	63.1	19.6
1948	41.0	40.9	39.5	42.2	66.3	21.9
1949	38.8	38.7	35.9	41.5	58.8	23.3
1950	44.9	45.0	43.7	46.2	65.7	26.5
1951	48.7	48.6	49.2	47.8	72.1	30.3
1952	50.6	50.6	52.2	48.7	71.5	32.8
1953	54.8	55.1	59.0	50.7	73.4	35.6
1954	51.9	51.5	52.0	51.0	71.9	38.3
1955	58.5	58.2	59.5	56.6	80.2	42.8
1956	61.1	60.5	61.5	59.5	84.4	47.0
1957	61.9	61.2	61.9	60.5	84.5	50.2
1958	57.9	56.9	54.2	61.0	77.5	52.5
1959	64.8	64.1	62.2	67.0	81.1	57.8
1960	66.2	65.4	63.3	68.6	82.7	61.8
1961	66.7	65.6	62.1	70.7	83.2	65.3
1962	72.2	71.4	69.0	75.1	85.6	70.2
1963	76.5	75.8	73.5	79.2	89.0	75.1
1964	81.7	81.2	79.0	84.4	91.1	81.9
1965	89.2	89.1	88.5	90.0	93.9	86.9
1966	97.9	98.3	99.0	97.3	98.4	93.6
1967	100.0	100.0	100.0	100.0	100.0	100.0
1968	105.7	105.7	105.5	106.0	103.9	109.4
1969	110.7	110.5	110.0	111.1	107.2	119.5
1970	106.6	105.2	101.4	110.6	109.7	128.3
1971	106.8	105.2	99.4	113.5	107.0	133.9
1972	115.2	114.0	108.4	122.1	108.8	143.4
1973	125.6	125.1	122.0	129.7	110.3	152.6
1974	124.8	124.4	120.7	129.7	109.3	149.9
1975 p	113.8	112.2	105.9	121.3	106.4	154.6
1974: Jan.	125.4	125.3	121.0	131.4	109.9	144.9
Feb.	124.6	124.5	119.4	131.5	111.7	146.1
Mar.	124.7	124.6	120.4	131.0	112.2	146.5
Apr.	124.9	124.8	120.7	130.4	111.3	148.7
May	125.7	125.7	122.1	130.9	111.0	149.1
June	125.8	125.6	122.1	130.7	110.2	150.6
July	125.5	125.2	121.6	130.8	110.2	152.4
Aug.	125.2	125.2	121.6	130.4	107.3	152.7
Sept.	125.6	125.5	122.1	130.5	109.2	153.1
Oct.	124.8	124.6	121.6	128.9	110.5	151.2
Nov.	121.7	120.9	117.9	125.4	105.0	152.3
Dec.	117.4	116.1	112.2	121.9	104.4	152.6
1975: Jan.	113.7	111.8	108.2	117.2	107.0	152.1
Feb.	111.2	109.3	104.8	115.6	108.6	150.9
Mar.	110.0	107.7	103.5	113.7	108.9	154.1
Apr.	109.9	107.9	103.3	114.8	108.5	153.1
May	110.1	108.2	102.5	116.2	105.9	152.3
June	111.1	109.5	103.2	118.6	106.3	152.6
July	112.2	110.6	103.4	120.8	106.4	153.9
Aug.	114.2	112.8	105.4	123.4	105.0	156.6
Sept.	116.2	114.7	107.0	125.7	105.3	154.1
Oct.	116.7	115.6	107.7	127.0	105.8	156.6
Nov p	117.3	116.3	108.0	129.3	105.4	156.0
Dec p	118.5	117.5	109.3	129.5	103.7	157.9

Source: Board of Governors of the Federal Reserve System.

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TABLE B–33.—*Industrial production indexes, market groupings, 1947–75*

[1967=100; monthly data seasonally adjusted]

Year or month	Total industrial production	Final products						Intermediate products	Materials [2]		
		Total	Consumer goods [1]			Equipment			Total	Durable goods	Nondurable goods
			Total	Automotive products	Home goods	Total	Business				
1947	39.4	38.3	42.7	47.8	39.1	29.7	38.0	42.5	39.7	39.1	38.8
1948	41.0	39.7	44.0	50.0	40.8	31.2	39.5	44.9	41.4	40.2	40.9
1949	38.8	38.5	43.8	49.6	37.7	27.9	34.5	42.6	37.8	36.0	37.8
1950	44.9	43.4	50.0	62.4	52.0	30.2	37.0	49.6	45.2	45.3	43.6
1951	48.7	46.8	49.5	55.2	44.8	42.1	45.2	52.0	50.0	51.6	47.1
1952	50.6	50.3	50.6	49.7	44.8	50.5	51.2	51.7	50.7	52.7	47.3
1953	54.8	53.7	53.7	62.8	50.7	54.7	53.2	55.3	56.3	61.5	50.2
1954	51.9	50.8	53.3	58.4	46.8	47.9	46.8	55.1	52.0	53.1	50.3
1955	58.5	54.9	59.5	77.7	55.2	48.9	50.7	62.6	61.5	65.0	56.9
1956	61.1	58.2	61.7	63.9	58.1	53.7	58.7	65.3	63.1	65.2	59.5
1957	61.9	59.9	63.2	66.9	56.8	55.9	61.0	65.3	63.1	65.1	59.3
1958	57.9	57.1	62.6	53.2	53.6	50.0	51.5	63.9	56.8	54.8	58.1
1959	64.8	62.7	68.7	66.8	61.6	54.9	57.9	70.5	65.5	65.3	65.0
1960	66.2	64.8	71.3	76.4	62.0	56.4	59.4	71.0	66.4	66.1	65.9
1961	66.7	65.3	72.8	69.8	63.9	55.6	57.7	72.4	66.4	64.6	68.2
1962	72.2	70.8	77.7	84.5	69.4	61.9	62.7	76.9	72.4	71.8	72.9
1963	76.5	74.9	82.0	92.5	74.9	65.6	65.8	81.1	77.0	76.6	77.1
1964	81.7	79.6	86.8	96.8	81.7	70.1	74.7	87.3	82.6	82.7	82.1
1965	89.2	86.8	93.0	112.3	91.4	78.7	84.4	93.0	91.0	93.0	88.5
1966	97.9	96.1	98.6	108.8	100.7	93.0	98.8	99.2	99.8	103.0	96.3
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	105.7	105.8	106.6	117.9	106.9	104.7	103.4	105.7	105.7	105.0	106.9
1969	110.7	109.0	111.1	117.4	111.6	106.1	107.9	112.0	112.4	112.2	112.8
1970	106.6	104.5	110.3	99.9	107.6	96.3	101.4	111.7	107.7	103.2	112.5
1971	106.8	104.7	115.7	119.5	112.6	89.4	96.8	112.5	107.4	101.7	114.1
1972	115.2	111.9	123.6	127.7	124.5	95.5	106.1	121.1	117.4	113.5	122.5
1973	125.6	121.3	131.7	136.6	140.1	106.7	122.6	131.0	129.3	130.0	129.2
1974	124.8	121.7	128.8	110.0	138.0	111.7	129.4	128.3	127.4	127.3	128.5
1975 p	113.8	115.5	124.0	99.0	120.2	103.6	116.6	116.3	110.7	106.7	114.9
1974: Jan	125.4	121.3	129.2	108.0	139.6	109.8	126.8	129.2	129.7	129.8	131.1
Feb	124.6	120.6	128.3	106.6	137.5	109.9	127.3	129.1	128.3	127.3	131.1
Mar	124.7	121.0	128.5	108.0	140.1	110.1	127.6	128.1	128.9	127.2	131.9
Apr	124.9	120.7	128.5	113.8	140.6	110.1	127.9	129.4	128.7	127.3	131.9
May	125.7	122.4	129.6	116.1	142.4	112.2	130.3	129.2	129.1	128.3	130.9
June	125.8	122.5	130.3	117.3	142.7	112.0	130.2	128.9	128.8	127.6	131.3
July	125.5	122.8	130.0	113.5	141.8	113.0	131.3	127.8	128.0	125.8	131.1
Aug	125.2	122.1	129.8	114.9	141.2	111.4	128.8	128.6	128.5	128.1	130.4
Sept	125.6	122.6	128.8	111.6	139.0	113.8	132.3	127.6	129.3	129.2	129.3
Oct	124.8	122.3	128.2	114.7	133.2	114.0	132.0	125.3	128.1	129.3	126.8
Nov	121.7	120.9	126.3	102.1	129.7	113.2	131.0	123.0	122.1	123.5	122.1
Dec	117.4	118.2	123.4	87.5	123.0	110.7	127.1	120.5	114.8	114.2	116.2
1975: Jan	113.7	114.9	120.1	80.3	117.5	107.8	122.3	117.6	110.5	110.3	109.2
Feb	111.2	113.4	118.9	78.2	114.0	105.3	119.3	115.1	107.4	107.0	105.7
Mar	110.1	112.2	118.2	86.8	112.3	103.9	117.0	112.7	105.9	104.7	105.3
Apr	109.9	112.6	119.7	93.6	115.9	103.0	115.4	113.4	105.2	101.6	107.9
May	110.0	113.7	121.2	97.6	117.8	102.9	115.0	112.4	104.9	100.2	109.5
June	111.1	114.5	123.3	103.4	118.8	102.2	113.9	112.8	106.0	99.8	112.3
July	112.2	115.7	125.5	106.9	121.0	102.2	113.9	114.3	106.8	100.3	114.0
Aug	114.2	115.9	125.7	105.9	121.9	102.3	114.9	115.4	111.5	106.1	118.3
Sept	116.2	116.9	126.8	106.7	125.0	102.8	115.6	116.6	115.1	108.7	123.4
Oct	116.7	116.9	127.2	108.9	123.4	102.6	115.5	117.2	116.4	110.4	124.4
Nov p	117.3	117.6	128.3	109.2	123.9	102.7	116.2	118.4	116.7	111.0	124.5
Dec p	118.5	118.6	129.6	110.2	125.6	103.3	117.2	120.0	117.9	113.1	125.6

[1] Also includes clothing and consumer staples, not shown separately.
[2] Also includes industrial fuel and power, not shown separately.

Source: Board of Governors of the Federal Reserve System.

TABLE B–34.—*Industrial production indexes, selected manufactures, 1947–75*

[1967=100; monthly data seasonally adjusted]

Year or month	Durable manufactures								Nondurable manufactures			
	Primary metals	Fabricated metal products	Machinery	Transportation equipment	Instruments	Ordnance, private and government	Lumber, clay, and glass	Furniture and miscellaneous	Textiles, apparel, and leather	Paper and printing	Chemicals, petroleum, and rubber	Foods and tobacco
1947	64.8	50.2	.....	31.0	24.5	7.8	.....	.....	.....	.....	.....	.....
1948	67.4	51.1	.....	33.9	25.2	9.0	.....	.....	.....	.....	.....	.....
1949	56.7	46.1	.....	34.0	22.5	9.2	.....	.....	.....	.....	.....	.....
1950	71.4	56.5	.....	40.7	26.1	11.4	.....	.....	.....	.....	.....	.....
1951	77.7	60.4	.....	45.4	30.0	42.2	.....	.....	.....	.....	.....	.....
1952	70.9	58.9	.....	52.8	35.7	52.0	.....	.....	.....	.....	.....	.....
1953	80.4	66.5	.....	66.2	39.2	63.2	.....	.....	.....	.....	.....	.....
1954	65.0	59.9	41.7	57.6	39.6	48.4	64.7	53.7	65.7	52.2	35.4	63.2
1955	84.5	68.3	46.7	66.3	44.2	36.1	73.8	65.8	73.4	57.8	41.2	66.6
1956	84.0	69.3	52.2	64.3	48.5	31.8	75.9	68.7	75.1	61.5	43.5	70.3
1957	80.4	71.1	52.0	68.9	50.7	35.9	73.3	67.1	73.4	62.2	45.8	71.5
1958	63.8	63.7	45.4	54.3	47.7	44.4	71.4	62.1	71.8	61.5	46.5	73.6
1959	74.5	71.5	53.9	61.5	55.2	46.1	82.2	68.7	79.6	67.0	53.8	77.2
1960	74.2	71.6	56.2	63.7	57.8	46.4	78.5	69.7	79.2	69.2	55.6	79.2
1961	72.9	69.8	57.1	59.9	57.3	39.2	79.7	70.6	80.2	71.0	58.3	81.5
1962	78.2	75.9	64.8	69.3	59.8	45.0	84.3	76.1	84.3	74.3	64.5	84.0
1963	84.3	78.4	67.9	75.9	66.4	51.6	88.9	79.5	86.9	78.4	70.0	87.0
1964	95.7	83.3	74.3	79.6	71.3	50.7	94.0	84.7	91.9	84.5	75.9	90.6
1965	104.0	92.6	84.1	91.3	82.9	60.5	98.7	93.8	97.8	90.5	83.8	92.6
1966	108.8	100.5	98.6	101.2	95.3	75.1	102.6	100.8	101.7	98.9	94.1	97.0
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	103.2	106.3	101.9	109.7	106.7	113.7	105.6	106.2	104.9	104.2	109.6	103.6
1969	114.1	113.6	106.8	107.6	116.1	111.6	111.1	111.6	105.9	109.1	118.4	107.5
1970	106.9	109.4	100.3	90.4	110.8	95.3	106.3	108.8	100.2	107.8	118.2	110.8
1971	100.9	107.4	96.2	92.9	108.5	86.1	111.5	111.7	100.7	107.8	124.7	113.7
1972	113.1	114.8	107.5	99.0	120.2	86.0	120.0	122.7	108.1	116.1	137.8	117.6
1973	127.0	130.5	125.8	109.1	138.3	85.7	129.1	135.1	115.0	122.2	149.3	121.9
1974	124.1	131.4	128.1	96.9	143.9	86.1	123.6	136.1	108.9	121.0	151.7	124.8
1975 p	98.2	114.7	112.9	88.4	133.7	85.2	109.4	121.6	97.8	109.6	140.3	124.4
1974: Jan	129.5	131.4	128.6	95.7	143.0	85.2	129.7	133.4	116.2	121.7	151.5	125.4
Feb	125.0	130.6	127.2	93.9	142.8	84.2	127.4	135.2	115.3	122.2	151.2	126.2
Mar	125.3	131.6	128.4	95.0	142.8	84.9	128.1	136.8	112.4	122.5	151.2	125.3
Apr	124.0	131.3	128.2	97.8	143.8	84.3	128.9	136.8	109.3	121.2	153.5	124.3
May	124.6	131.9	129.7	100.6	146.1	86.1	128.0	138.9	109.8	121.3	153.0	126.5
June	124.7	132.5	130.4	99.4	147.5	86.4	126.4	138.5	108.5	122.3	153.8	125.3
July	123.2	131.1	129.9	98.7	146.7	87.2	125.5	139.7	108.1	122.4	153.9	124.8
Aug	121.9	131.6	130.5	99.9	146.7	87.1	123.4	140.1	107.4	121.0	154.4	124.8
Sept	123.0	132.0	132.5	100.4	144.9	87.5	120.6	138.8	106.5	122.7	154.7	124.3
Oct	126.0	129.6	131.1	102.1	142.0	87.2	117.8	136.7	105.1	120.8	152.4	123.7
Nov	121.0	128.2	128.9	93.7	142.3	86.6	113.7	129.0	101.9	115.7	146.5	123.8
Dec	108.6	124.1	124.8	83.6	139.5	86.6	111.0	128.4	96.3	112.3	141.6	123.5
1975: Jan	107.2	118.2	119.6	78.9	139.1	86.2	109.6	120.0	88.9	108.2	136.5	121.1
Feb	102.1	113.7	115.6	77.1	134.2	86.9	104.6	119.6	89.6	106.6	132.4	121.3
Mar	98.1	112.9	112.2	81.0	130.6	86.7	102.6	118.7	87.5	104.2	130.2	120.0
Apr	95.0	112.4	110.8	84.7	131.1	86.7	104.8	117.6	90.4	102.4	131.0	122.5
May	89.9	110.9	109.0	87.6	129.7	86.7	105.9	119.7	93.2	103.9	132.4	122.4
June	91.8	110.9	108.2	90.5	131.0	87.7	107.0	120.1	94.9	107.3	136.2	123.5
July	92.8	109.7	108.4	91.0	132.4	86.4	108.2	121.1	97.4	107.4	140.1	124.8
Aug	96.5	112.7	110.0	92.9	132.1	84.3	110.6	123.1	100.2	110.8	143.6	125.2
Sept	97.2	116.1	111.7	94.3	134.5	84.2	113.1	124.3	104.0	113.9	146.2	126.0
Oct	98.0	115.9	112.9	94.7	134.7	83.9	114.3	124.6	106.0	114.6	148.3	126.1
Nov p	101.0	116.2	113.6	94.1	137.2	81.6	114.1	122.9	107.6	114.9	149.7	127.5
Dec p	102.6	117.4	114.8	95.9	137.9	80.9	114.7	125.2	109.5	116.3	151.1	127.9

Source: Board of Governors of the Federal Reserve System.

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TABLE B–35.—*Capacity utilization rate in manufacturing, 1947–75*

[Percent; quarterly data seasonally adjusted]

Year or quarter	FRB series [1]			Commerce series [2]					Wharton series [3]		
	Total manufacturing	Primary processing	Advanced processing	Total manufacturing	Durable goods	Nondurable goods	Primary-processed goods	Advanced-processed goods	Total manufacturing	Durable goods	Nondurable goods
1947									95.2	94.5	96.1
1948	92.7	98.1	89.8						92.4	90.2	95.1
1949	82.7	83.8	82.1						81.3	75.2	89.1
1950	92.0	97.8	88.8						89.5	85.3	95.1
1951	95.1	100.1	92.5						90.6	87.7	94.5
1952	92.8	91.2	93.7						88.5	86.2	91.8
1953	95.5	94.3	96.1						92.3	92.9	91.4
1954	84.1	82.9	84.7						82.9	79.4	87.9
1955	90.0	93.7	88.0						90.8	89.2	93.2
1956	88.2	90.7	86.9						89.8	87.8	92.7
1957	84.5	85.2	84.1						86.5	84.9	89.0
1958	75.1	75.2	75.0						75.9	70.1	84.7
1959	81.4	82.7	80.7						82.2	78.0	88.4
1960	80.1	79.9	80.3						80.5	76.8	86.2
1961	77.6	78.2	77.3						77.7	72.9	84.8
1962	81.4	81.8	81.1						81.2	78.0	86.0
1963	83.0	84.0	82.5						82.8	80.1	86.7
1964	85.5	87.9	84.2						85.7	83.8	88.7
1965	88.9	91.1	87.8	86	88	85	89	85	90.6	90.5	90.9
1966	91.9	92.1	91.8	86	87	86	88	85	95.8	96.8	94.3
1967	87.9	85.7	89.1	84	83	85	87	83	92.7	92.4	93.1
1968	87.7	86.8	88.1	85	84	86	86	84	94.5	94.1	95.2
1969	86.5	88.5	85.4	85	84	86	87	84	95.6	95.2	96.3
1970	78.3	81.5	76.5	81	78	83	83	79	87.9	85.2	92.1
1971	75.0	79.3	72.7	80	78	83	82	80	85.3	81.7	90.9
1972	78.6	84.6	75.4	83	82	85	85	82	89.6	86.8	94.2
1973	83.0	89.7	79.4	86	85	86	89	84	95.8	95.3	96.7
1974	78.9	84.4	76.0	83	82	84	85	82	91.3	90.4	92.9
1970: I	80.8	83.5	79.3	82	79	85	84	80	90.3	88.0	93.7
II	79.8	82.4	78.4	82	81	83	82	81	89.6	87.6	92.8
III	78.3	81.7	76.5	79	75	83	82	77	88.3	86.1	91.7
IV	74.2	78.5	71.9	80	78	82	82	79	83.3	79.0	90.1
1971: I	75.0	79.4	72.7	80	78	83	82	79	85.2	81.9	90.4
II	75.6	81.1	72.7	81	79	84	83	80	85.8	82.7	90.8
III	74.7	78.0	72.9	80	77	84	80	80	85.0	81.2	91.0
IV	74.6	78.6	72.4	80	78	82	81	79	85.0	81.0	91.2
1972: I	75.6	80.8	72.9	82	80	84	82	82	86.3	82.5	92.2
II	77.9	83.5	74.9	82	81	84	83	81	88.7	85.6	93.7
III	79.4	85.9	75.9	83	82	85	85	82	90.5	87.7	94.9
IV	81.5	88.3	77.8	85	85	85	88	84	93.0	91.3	95.8
1973: I	82.8	89.6	79.1	86	86	86	88	85	95.0	93.9	96.7
II	83.3	90.1	79.7	86	86	86	89	85	96.1	95.7	96.6
III	83.3	90.0	79.7	85	85	86	89	83	96.4	96.0	97.0
IV	82.6	89.0	79.2	85	84	86	89	82	95.8	95.5	96.3
1974: I	80.5	87.3	76.9	84	83	85	87	83	92.9	91.5	95.2
II	80.1	86.3	76.8	84	84	85	87	83	92.8	92.0	94.1
III	79.4	85.1	76.3	84	84	84	86	83	92.1	91.5	93.2
IV	75.7	79.0	73.9	78	76	80	79	77	87.5	86.6	88.9
1975: I p	68.2	68.9	67.9	75	74	76	75	75	78.3	76.4	81.5
II p	67.0	67.2	66.9	75	73	78	73	76	77.2	74.7	81.3
III p	69.0	70.6	68.2	79	78	80	78	79	79.6	76.3	85.1

[1] For description of the series, see Federal Reserve Bulletin, October 1971 and November 1966.

[2] Quarterly data are for last month in quarter. Annual data are averages of the four indexes, except for 1955 (December index) and 1966–67 (averages of June and December indexes). For description of the series, see Survey of Current Business, July 1974.

[3] Annual data are averages of quarterly indexes. For description of the series, see F. Gerard Adams and Robert Summers, "The Wharton Index of Capacity Utilization: A Ten Year Perspective," 1973 Proceedings of the Business and Economic Statistics Section, American Statistical Association.

Sources: Board of Governors of the Federal Reserve System, Department of Commerce (Bureau of Economic Analysis), and Wharton School of Finance.

TABLE B–36.—*New construction activity, 1929–75*

[Value put in place, billions of dollars; monthly data at seasonally adjusted annual rates]

Year or month	Total new construction	Private construction							Public construction		
		Total	Residential buildings [1]		Nonresidential buildings and other construction [1]				Total	Federal	State and local [5]
			Total [2]	New housing units	Total	Commercial [2]	Industrial	Other [4]			
1929	10.8	8.3	3.6	3.0	4.7	1.1	0.9	2.6	2.5	0.2	2.3
1933	2.9	1.2	.5	.3	.8	.1	.2	.5	1.6	.5	1.1
1939	8.2	4.4	2.7	2.3	1.7	.3	.3	1.2	3.8	.8	3.1
1940	8.7	5.1	3.0	2.6	2.1	.3	.4	1.3	3.6	1.2	2.4
1941	12.0	6.2	3.5	3.0	2.7	.4	.8	1.5	5.8	3.8	2.0
1942	14.1	3.4	1.7	1.4	1.7	.2	.3	1.2	10.7	9.3	1.3
1943	8.3	2.0	.9	.7	1.1	.0	.2	.9	6.3	5.6	.7
1944	5.3	2.2	.8	.6	1.4	.1	.2	1.1	3.1	2.5	.6
1945	5.8	3.4	1.3	.7	2.1	.2	.6	1.3	2.4	1.7	.7
1946	14.3	12.1	6.2	4.8	5.8	1.2	1.7	3.0	2.2	.9	1.4
New series											
1947	20.0	16.7	9.9	7.8	6.9	1.0	1.7	4.2	3.3	.8	2.5
1948	26.1	21.4	13.1	10.5	8.2	1.4	1.4	5.5	4.7	1.2	3.5
1949	26.7	20.5	12.4	10.0	8.0	1.2	1.0	5.9	6.3	1.5	4.8
1950	33.6	26.7	18.1	15.6	8.6	1.4	1.1	6.1	6.9	1.6	5.2
1951	35.4	26.2	15.9	13.2	10.3	1.5	2.1	6.7	9.3	3.0	6.3
1952	36.8	26.0	15.8	12.9	10.2	1.1	2.3	6.8	10.8	4.2	6.6
1953	39.1	27.9	16.6	13.4	11.3	1.8	2.2	7.3	11.2	4.1	7.1
1954	41.4	29.7	18.2	14.9	11.5	2.2	2.0	7.2	11.7	3.4	8.3
1955	46.5	34.8	21.9	18.2	12.9	3.2	2.4	7.3	11.7	2.8	8.9
1956	47.6	34.9	20.2	16.1	14.7	3.6	3.1	8.0	12.7	2.7	10.0
1957	49.1	35.1	19.0	14.7	16.1	3.6	3.6	9.0	14.1	3.0	11.1
1958	50.0	34.6	19.8	15.4	14.8	3.6	2.4	8.8	15.5	3.4	12.1
1959	55.4	39.3	24.3	19.2	15.1	3.9	2.1	9.0	16.1	3.7	12.3
1960	54.7	38.9	23.0	17.3	15.9	4.2	2.9	8.9	15.9	3.6	12.2
1961	56.4	39.3	23.1	17.1	16.2	4.7	2.8	8.7	17.1	3.9	13.3
1962	60.2	42.3	25.2	19.4	17.2	5.1	2.8	9.2	17.9	3.9	14.0
1963	64.8	45.5	27.9	21.7	17.6	5.0	2.9	9.7	19.4	4.0	15.4
1964	67.7	47.3	28.0	21.8	19.3	5.4	3.6	10.3	20.4	3.9	16.5
1965	73.7	51.7	27.9	21.7	23.8	------	------	------	22.1	4.0	18.0
1966	76.4	52.4	25.7	19.4	26.7	------	------	------	24.0	4.0	20.0
1967	78.1	52.5	25.6	19.0	27.0	------	------	------	25.5	3.5	22.1
1968	87.1	59.5	30.6	24.0	28.9	7.8	6.0	15.1	27.6	3.4	24.2
1969	93.9	66.0	33.2	25.9	32.8	9.4	6.8	16.6	28.0	3.3	24.7
1970	94.9	66.8	31.9	24.3	34.9	9.8	6.6	18.6	28.1	3.3	24.8
1971	110.0	80.1	43.3	35.1	36.8	11.6	5.4	19.8	29.9	4.0	25.9
1972	124.1	93.9	54.3	44.9	39.6	13.5	4.7	21.5	30.2	4.4	25.8
1973	136.0	103.4	57.6	47.9	45.8	15.5	6.2	24.1	32.5	4.9	27.7
1974	135.5	97.1	47.0	37.3	50.0	15.9	7.9	26.2	38.4	5.4	33.0
1975 [6]	130.8	89.9	42.9	31.3	46.9	12.8	7.8	26.3	40.9	6.0	34.9

See footnotes at end of table.

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TABLE B–36.—*New construction activity, 1929–75*—Continued

[Value put in place, billions of dollars; monthly data at seasonally adjusted annual rates]

Year or month	Total new construction	Private construction							Public construction		
		Total	Residential buildings [1]		Nonresidential buildings and other construction [1]				Total	Federal	State and local [5]
			Total [2]	New housing units	Total	Commercial [3]	Industrial	Other [4]			
1974: Jan.	133.7	99.4	50.6	40.8	48.8	15.7	7.1	26.0	34.2	4.6	29.6
Feb.	137.0	99.8	49.4	39.6	50.5	16.4	7.9	26.2	37.1	5.0	32.1
Mar.	135.6	99.1	49.2	39.8	49.9	16.0	7.6	26.4	36.5	5.2	31.3
Apr.	136.8	98.4	48.7	39.9	49.7	16.1	7.3	26.3	38.4	5.7	32.7
May	137.4	98.1	48.6	40.0	49.6	15.8	7.7	26.1	39.2	5.2	34.0
June	137.4	98.3	48.5	39.5	49.8	16.0	7.8	25.9	39.1	5.6	33.5
July	138.0	98.3	48.6	38.8	49.7	15.7	7.5	26.4	39.7	5.1	34.6
Aug.	135.6	97.1	47.7	37.4	49.4	15.6	7.8	26.0	38.5	5.1	33.4
Sept.	133.3	94.9	45.9	35.6	49.0	15.9	7.5	25.6	38.4	5.4	33.0
Oct.	134.5	95.6	44.2	33.9	51.4	16.4	8.7	26.3	38.9	5.5	33.4
Nov.	131.9	93.8	42.5	32.1	51.3	15.9	8.9	26.5	38.2	5.5	32.6
Dec.	134.0	92.5	41.1	30.5	51.5	15.8	9.0	26.6	41.5	6.1	35.5
1975: Jan.	132.3	91.2	39.6	28.8	51.6	15.6	8.4	27.6	41.1	5.8	35.3
Feb.	128.9	89.0	38.5	27.4	50.5	15.0	8.7	26.8	39.8	6.3	33.6
Mar.	125.5	85.7	38.0	26.9	47.7	13.0	7.9	26.8	39.8	6.0	33.9
Apr.	121.0	84.7	37.6	26.8	47.2	12.8	7.5	26.9	36.3	5.7	30.6
May	121.7	84.3	38.5	27.6	45.7	12.1	8.2	25.4	37.4	5.6	31.8
June	126.9	85.0	40.4	28.9	44.6	11.8	7.7	25.1	41.9	5.9	36.0
July	128.8	88.1	43.3	30.6	44.8	12.0	7.7	25.1	40.6	5.9	34.7
Aug.	132.1	90.6	45.4	32.1	45.2	12.6	7.6	25.0	41.5	6.3	35.2
Sept.	137.1	92.5	46.0	33.2	46.6	12.4	7.9	26.2	44.6	6.3	38.2
Oct.	135.1	93.3	46.5	34.9	46.8	12.5	7.5	26.8	41.8	5.9	35.9
Nov. [p]	139.2	96.1	47.5	36.7	48.6	12.5	7.6	28.4	43.1	6.7	------

[1] Beginning 1960, farm residential buildings included in residential buildings; prior to 1960, included in nonresidential buildings and other construction.

[2] Total includes additions and alterations and nonhousekeeping units, not shown separately.

[3] Office buildings, warehouses, stores, restaurants, garages, etc.

[4] Religious, educational, hospital and institutional, miscellaneous nonresidential, farm (see also footnote 1), public utilities, and all other private.

[5] Includes Federal grants-in-aid for State and local projects.

[p] Preliminary estimates by Council of Economic Advisers.

Source: Department of Commerce (Bureau of the Census), except as noted.

TABLE B–37.—*New housing starts and applications for financing, 1929–75*

[Thousands of units]

Year or month	Housing starts							New private housing units authorized [4]	Proposed home construction [5]	
	Private and public [1]		Private [1]							
	Total (farm and nonfarm)	Nonfarm	Total (farm and nonfarm)			Government home programs (nonfarm)			Applications for FHA commitments [3]	Requests for VA appraisals
			Total	Type of structure [2]		FHA [3]	VA			
				One unit	Two or more units					
1929		509.0								
1933		93.0								
1939		515.0				144.7			179.8	
1940		602.6				176.6			231.2	
1941		706.1				217.1			288.5	
1942		356.0				160.2			238.5	
1943		191.0				126.1			144.4	
1944		141.8				83.6			62.9	
New series										
1945		326.0				38.9	[6] 8.8		56.6	
1946		1,023.0				67.1	91.8		121.7	
1947		1,268.0				178.3	160.3		286.4	
1948		1,362.0				216.4	71.1		293.2	
1949		1,466.0				252.6	90.8		327.0	
1950		1,952.0				328.2	191.2		397.7	
1951		1,491.0				186.9	148.6		192.8	164.4
1952		1,504.0				229.1	141.3		267.9	226.3
1953		1,438.0				216.5	156.5		253.7	251.4
1954		1,551.0				250.9	307.0		338.6	535.4
1955		1,646.0				268.7	392.9		306.2	620.8
1956		1,349.0				183.4	270.7		197.7	401.5
1957		1,224.0				150.1	128.3		198.8	159.4
1958		1,382.0				270.3	102.1		341.7	234.2
1959	1,558.7	1,531.3	1,517.0	1,234.0	283.0	307.0	109.3	1,208.3	369.7	234.0
1960	1,296.1	1,274.0	1,252.2	994.7	257.4	225.7	74.6	998.0	242.4	142.9
1961	1,365.0	1,336.8	1,313.0	974.3	338.7	198.8	83.3	1,064.2	243.8	177.8
1962	1,492.5	1,468.7	1,462.9	991.4	471.5	197.3	77.8	1,186.6	221.1	171.2
1963	1,634.9	1,614.8	1,603.2	1,012.4	590.8	166.2	71.0	1,334.7	190.2	139.3
1964	1,561.0	1,534.0	1,528.8	970.5	558.3	154.0	59.2	1,285.8	182.1	113.6
1965	1,509.7	1,487.5	1,472.8	963.7	509.1	159.9	49.4	1,239.8	188.9	102.1
1966	1,195.8	1,172.8	1,164.9	778.6	386.3	129.1	36.8	971.9	153.0	99.2
1967	1,321.9	1,298.8	1,291.6	843.9	447.7	141.9	52.5	1,141.0	167.2	124.3
1968	1,545.4	1,521.4	1,507.6	899.4	608.2	147.7	56.1	1,353.4	168.9	131.7
1969	1,499.5	1,482.3	1,466.8	810.6	656.2	153.6	51.2	1,323.7	187.6	138.2
1970	1,469.0	(7)	1,433.6	812.9	620.7	233.5	61.0	1,351.5	315.0	143.7
1971	2,084.5	(7)	2,052.2	1,151.0	901.2	301.2	94.0	1,924.6	366.8	217.9
1972	2,378.5	(7)	2,356.6	1,309.2	1,047.5	198.4	104.0	2,218.9	225.2	209.4
1973	2,057.5	(7)	2,045.3	1,132.0	913.3	73.6	86.1	1,819.5	83.2	116.9
1974	1,352.5	(7)	1,337.7	888.1	449.7	56.8	72.8	1,074.4	87.1	160.1
1975 p	1,172.4	(7)	1,161.5	892.8	268.7	69.8	77.0	926.8	82.3	157.7

See footnotes at end of table.

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TABLE B–37.—*New housing starts and applications for financing, 1929–75*—Continued

[Thousands of units]

Year or month	Housing starts							New private housing units authorized [4]	Proposed home construction [5]	
	Private and public [1]		Private [1]							
	Total (farm and nonfarm)	Nonfarm	Total (farm and nonfarm)			Government home programs (nonfarm)			Applications for FHA commitments [3]	Requests for VA appraisals
			Total	Type of structure [2]						
				One unit	Two or more units	FHA [3]	VA			
	Seasonally adjusted annual rates									
1974: Jan	86.2	(7)	1,437	803	634	39	62	1,306	48	125
Feb	109.6	(7)	1,881	1,046	836	48	63	1,322	65	157
Mar	127.2	(7)	1,511	969	542	48	71	1,395	72	144
Apr	160.9	(7)	1,580	975	606	42	72	1,264	74	153
May	149.9	(7)	1,467	925	542	60	77	1,159	89	159
June	149.5	(7)	1,533	1,000	534	55	76	1,115	90	180
July	127.2	(7)	1,314	920	394	53	71	1,040	103	160
Aug	114.0	(7)	1,156	826	329	57	68	928	85	185
Sept	99.6	(7)	1,157	845	313	67	76	853	95	169
Oct	97.2	(7)	1,106	792	314	73	81	811	133	185
Nov	75.6	(7)	1,017	802	215	69	74	770	111	157
Dec	55.4	(7)	880	682	198	69	78	837	79	132
1975: Jan	56.9	(7)	999	739	260	71	68	689	72	126
Feb	56.2	(7)	1,000	733	267	62	64	701	64	144
Mar	81.1	(7)	985	775	210	57	63	677	72	128
Apr	98.4	(7)	980	762	218	62	73	837	86	131
May	117.0	(7)	1,130	887	243	64	81	912	142	216
June	110.9	(7)	1,094	884	210	72	88	949	84	120
July	120.1	(7)	1,235	935	300	70	73	1,042	70	156
Aug	118.7	(7)	1,269	987	282	69	82	995	67	157
Sept	112.8	(7)	1,269	931	338	78	82	1,095	71	172
Oct	125.0	(7)	1,452	1,103	349	75	83	1,079	99	188
Nov p	96.5	(7)	1,354	1,028	326	83	80	1,085	90	189
Dec p	78.7	(7)	1,309	972	337	76	82	1,058	67	173

[1] Units in structures built by private developers for sale upon completion to local public housing authorities under the Department of Housing and Urban Development "Turnkey" program are classified as private housing. Military housing starts, including those financed with mortgages insured by FHA under Section 803 of the National Housing Act, are included in publicly owned starts but excluded from total private starts and from FHA starts.

[2] Not available prior to 1959 except for nonfarm for 1929–44.

[3] For 1- to 4-unit structures.

[4] Authorized by issuance of local building permit: in 14,000 permit-issuing places beginning 1972; 13,000 for 1967–71; 12,000 for 1963–66; and 10,000 prior to 1963.

[5] Units in mortgage applications or appraisal requests for new home construction.

[6] Monthly estimates for September 1945–May 1950 were prepared by Housing and Home Finance Agency.

[7] Not available separately beginning January 1970.

Sources: Department of Commerce, Department of Housing and Urban Development, and Veterans Administration (except as noted).

TABLE B–38.—*Business expenditures for new plant and equipment, 1947–76* [1]

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Total	Manufacturing			Nonmanufacturing							
		Total	Durable goods	Nondurable goods	Total	Mining	Transportation			Public utilities	Communication	Commercial and other [2]
							Railroad	Air	Other			
1947	19.33	8.44	3.25	5.19	10.89	0.69	0.91	0.17	1.13	1.54	1.40	5.05
1948	21.30	9.01	3.30	5.71	12.29	.93	1.37	.10	1.17	2.54	1.74	4.42
1949	18.98	7.12	2.45	4.68	11.86	.88	1.42	.12	.76	3.10	1.34	4.24
1950	20.21	7.39	2.94	4.45	12.82	.84	1.18	.10	1.09	3.24	1.14	5.22
1951	25.46	10.71	4.82	5.89	14.75	1.11	1.58	.14	1.33	3.56	1.37	5.67
1952	26.43	11.45	5.21	6.24	14.98	1.21	1.50	.24	1.23	3.74	1.61	5.45
1953	28.20	11.86	5.31	6.56	16.34	1.25	1.42	.24	1.29	4.34	1.78	6.02
1954	27.19	11.24	4.91	6.33	15.95	1.28	.93	.24	1.22	3.99	1.82	6.45
1955	29.53	11.89	5.41	6.48	17.64	1.31	1.02	.26	1.30	4.03	2.11	7.63
1956	35.73	15.40	7.45	7.95	20.34	1.64	1.37	.35	1.31	4.52	2.82	8.32
1957	37.94	16.51	7.84	8.68	21.43	1.69	1.58	.41	1.30	5.67	3.19	7.60
1958	31.89	12.38	5.61	6.77	19.51	1.43	.86	.37	1.06	5.52	2.79	7.48
1959	33.55	12.77	5.81	6.95	20.78	1.36	1.02	.78	1.33	5.14	2.72	8.44
1960	36.75	15.09	7.23	7.85	21.66	1.30	1.16	.66	1.30	5.24	3.24	8.75
1961	35.91	14.33	6.31	8.02	21.58	1.29	.82	.73	1.23	5.00	3.39	9.13
1962	38.39	15.06	6.79	8.26	23.33	1.40	1.02	.52	1.65	4.90	3.85	9.99
1963	40.77	16.22	7.53	8.70	24.55	1.27	1.26	.40	1.58	4.98	4.06	10.99
1964	46.97	19.34	9.28	10.07	27.62	1.34	1.66	1.02	1.50	5.49	4.61	12.02
1965	54.42	23.44	11.50	11.94	30.98	1.46	1.99	1.22	1.68	6.13	5.30	13.19
1966	63.51	28.20	14.06	14.14	35.32	1.62	2.37	1.74	1.64	7.43	6.02	14.48
1967	65.47	28.51	14.06	14.45	36.96	1.65	1.86	2.29	1.48	8.74	6.34	14.59
1968	67.76	28.37	14.12	14.25	39.40	1.63	1.45	2.56	1.59	10.20	6.83	15.14
1969	75.56	31.68	15.96	15.72	43.88	1.86	1.86	2.51	1.68	11.61	8.30	16.05
1970	79.71	31.95	15.80	16.15	47.76	1.89	1.78	3.03	1.23	13.14	10.10	16.59
1971	81.21	29.99	14.15	15.84	51.22	2.16	1.67	1.88	1.38	15.30	10.77	18.05
1972	88.44	31.35	15.64	15.72	57.09	2.42	1.80	2.46	1.46	17.00	11.89	20.07
1973	99.74	38.01	19.25	18.76	61.73	2.74	1.96	2.41	1.66	18.71	12.85	21.40
1974	112.40	46.01	22.62	23.39	66.39	3.18	2.54	2.00	2.12	20.55	13.96	22.05
1975 [3]	113.49	48.31	22.05	26.27	65.18	3.82	2.54	1.84	2.90	20.31	13.09	20.67
1976 [3]	119.68	50.71	22.22	28.48	68.98	3.67	2.29	1.26	2.82	23.99	34.95	
1973: I	96.19	35.51	17.88	17.63	60.68	2.59	2.11	2.21	1.53	18.38	12.34	21.53
II	97.76	36.58	18.64	17.94	61.18	2.77	1.75	2.72	1.62	18.08	12.70	21.55
III	100.90	38.81	19.73	19.08	62.09	2.82	1.95	2.49	1.79	18.58	13.12	21.36
IV	103.74	40.61	20.48	20.13	63.12	2.76	2.05	2.20	1.73	19.80	13.24	21.35
1974: I	107.27	42.96	21.43	21.53	64.31	2.80	2.10	2.13	1.63	20.12	13.83	21.69
II	111.40	45.32	22.50	22.82	66.08	3.07	2.42	2.21	1.84	20.97	13.94	21.63
III	113.99	47.04	23.08	23.96	66.94	3.27	2.68	1.84	2.16	20.16	14.01	22.84
IV	116.22	48.08	23.28	24.80	68.14	3.56	3.05	1.81	2.71	20.93	14.04	22.04
1975: I	114.57	49.05	22.86	26.20	65.52	3.76	2.39	2.09	2.82	20.28	13.36	20.82
II	112.46	48.78	22.59	26.19	63.68	3.78	2.70	1.60	2.75	19.52	12.50	20.83
III	112.16	47.39	21.01	26.38	64.76	3.82	2.75	2.12	2.99	19.79	12.95	20.34
IV [3]	114.80	48.16	21.82	26.34	66.64	3.93	2.36	1.67	2.91	21.54	34.24	
1976: I [3]	118.16	49.88	22.34	27.53	68.28	4.00	2.49	1.96	3.04	23.62	33.76	
II [3]	120.87	51.37	23.27	28.10	69.50							

[1] Excludes agricultural business; real estate operators; medical, legal, educational, and cultural services; and nonprofit organizations. These figures do not agree precisely with the nonresidential fixed investment data in the gross national product estimates, mainly because those data include investment by farmers, professionals, institutions, and real estate firms, and certain outlays charged to current account.

[2] Commercial and other includes trade, service, construction, finance, and insurance.

[3] Estimates based on expected capital expenditures reported by business in October–December 1975. Includes adjustments when necessary for systematic tendencies in expectations data.

Note.—Annual total is the sum of unadjusted expenditures; it does not necessarily coincide with the average of seasonally adjusted figures.

Source: Department of Commerce, Bureau of Economic Analysis.

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TABLE B–39.—*Sales and inventories in manufacturing and trade, 1947–75*

[Amounts in millions of dollars; monthly data seasonally adjusted]

Year or month	Total manufacturing and trade			Manufacturing			Merchant wholesalers			Retail trade		
	Sales [1]	Inventories [2]	Ratio [3]	Sales [1]	Inventories [2]	Ratio [3]	Sales [1]	Inventories [2]	Ratio [3]	Sales [1]	Inventories [2]	Ratio [3]
1947				15,513	25,897	1.58				10,200	14,241	1.26
1948	35,260	52,507	1.42	17,316	28,543	1.57	6,808	7,957	1.13	11,135	16,007	1.39
1949	33,788	49,497	1.53	16,126	26,321	1.75	6,514	7,706	1.19	11,149	15,470	1.41
1950	38,596	59,822	1.36	18,634	31,078	1.48	7,695	9,284	1.07	12,268	19,460	1.38
1951	43,356	70,242	1.55	21,714	39,306	1.66	8,597	9,886	1.16	13,046	21,050	1.64
1952	44,840	72,377	1.58	22,529	41,136	1.78	8,782	10,210	1.12	13,529	21,031	1.52
1953	47,987	76,122	1.58	24,843	43,948	1.76	9,052	10,686	1.17	14,091	21,488	1.53
1954	46,443	73,175	1.60	23,355	41,612	1.81	8,993	10,637	1.18	14,095	20,926	1.51
1955	51,694	79,516	1.47	26,480	45,069	1.62	9,893	11,678	1.13	15,321	22,769	1.43
1956	54,063	87,304	1.55	27,740	50,642	1.73	10,513	13,260	1.19	15,811	23,402	1.47
1957	55,879	89,052	1.59	28,736	51,871	1.80	10,475	12,730	1.23	16,667	24,451	1.44
1958	54,233	86,922	1.60	27,280	50,070	1.84	10,257	12,739	1.24	16,696	24,113	1.43
1959	59,661	91,891	1.50	30,219	52,707	1.70	11,491	13,879	1.15	17,951	25,305	1.40
1960	60,746	94,747	1.56	30,796	53,814	1.76	11,656	14,120	1.22	18,294	26,813	1.45
1961 [4]	61,133	95,648	1.54	30,896	54,939	1.74	11,988	14,488	1.20	18,249	26,221	1.43
1962	65,417	101,090	1.51	33,113	58,213	1.72	12,674	14,936	1.16	19,630	27,941	1.38
1963	68,969	105,477	1.49	35,032	60,043	1.69	13,382	16,048	1.15	20,556	29,386	1.39
1964	73,687	111,480	1.47	37,335	63,386	1.64	14,529	17,000	1.14	21,823	31,094	1.40
1965	80,292	120,943	1.45	41,003	68,221	1.60	15,611	18,317	1.15	23,677	34,405	1.39
1966	87,186	136,803	1.47	44,869	77,965	1.62	16,987	20,765	1.15	25,330	38,073	1.44
1967	89,707	145,492	1.57	46,449	84,655	1.76	17,108	21,885	1.23	26,151	38,952	1.46
1968	97,138	155,845	1.55	50,282	90,875	1.74	18,366	22,997	1.22	28,490	41,973	1.43
1969	103,134	167,360	1.57	53,555	97,074	1.76	19,756	24,910	1.21	29,824	45,376	1.46
1970	104,736	175,561	1.64	52,859	101,645	1.89	20,583	27,290	1.26	31,294	46,626	1.47
1971	112,315	184,711	1.61	55,917	102,445	1.82	22,327	29,695	1.27	34,071	52,571	1.47
1972	124,244	197,692	1.53	62,017	107,719	1.69	24,862	32,817	1.24	37,365	57,156	1.46
1973	143,742	224,401	1.46	71,398	120,870	1.58	30,400	38,302	1.16	41,943	65,229	1.46
1974	163,882	271,050	1.50	81,723	150,404	1.65	37,344	46,564	1.13	44,815	74,082	1.54
1975 [5]	167,217	266,000	1.59	82,297	146,671	1.81	36,549	45,490	1.24	48,371	73,839	1.50
1974: Jan	154,323	227,338	1.47	76,501	122,570	1.60	34,743	38,986	1.12	43,079	65,782	1.53
Feb	156,595	230,405	1.47	77,314	124,831	1.61	35,986	39,640	1.10	43,295	65,934	1.52
Mar	159,735	233,390	1.46	78,627	126,500	1.61	37,170	40,425	1.09	43,938	66,465	1.51
Apr	160,999	235,458	1.46	79,251	128,438	1.62	37,342	40,423	1.08	44,406	66,597	1.50
May	163,048	239,431	1.47	81,346	130,936	1.61	36,913	41,203	1.12	44,789	67,292	1.50
June	163,539	243,850	1.49	81,519	133,541	1.64	37,293	42,347	1.14	44,727	67,962	1.52
July	168,082	248,628	1.48	83,728	136,731	1.63	38,449	43,171	1.12	45,905	68,726	1.50
Aug	171,229	253,053	1.48	85,481	139,727	1.63	38,828	43,704	1.13	46,920	69,622	1.48
Sept	170,355	258,175	1.52	85,749	142,975	1.67	38,748	44,500	1.15	45,858	70,700	1.54
Oct	170,997	263,791	1.54	87,402	145,062	1.66	37,751	45,642	1.21	45,844	73,087	1.59
Nov	167,918	267,075	1.59	85,675	147,135	1.72	37,714	45,976	1.22	44,529	73,964	1.66
Dec	162,347	271,050	1.67	79,737	150,404	1.89	37,501	46,564	1.24	45,109	74,082	1.64
1975: Jan	161,915	271,148	1.67	79,234	151,624	1.91	36,675	46,197	1.26	46,006	73,327	1.59
Feb	163,248	270,252	1.66	79,214	151,993	1.92	37,120	45,951	1.24	46,914	72,308	1.54
Mar	159,050	268,449	1.69	77,509	151,194	1.95	35,590	45,527	1.28	45,951	71,728	1.56
Apr	162,374	266,970	1.64	80,333	150,184	1.87	35,228	45,303	1.29	46,813	71,483	1.53
May	163,038	264,335	1.62	79,423	148,951	1.88	35,442	44,558	1.26	48,173	70,826	1.47
June	165,504	263,749	1.59	80,740	148,059	1.83	36,186	44,850	1.24	48,578	70,840	1.46
July	169,124	263,345	1.56	82,902	147,189	1.78	36,567	44,653	1.22	49,655	71,503	1.44
Aug	172,349	264,662	1.54	85,258	146,583	1.72	37,166	45,501	1.22	49,925	72,578	1.45
Sept	173,441	265,087	1.53	86,288	146,413	1.70	37,604	45,625	1.21	49,549	73,049	1.47
Oct	175,318	266,867	1.52	87,704	146,510	1.67	37,449	45,715	1.22	50,165	74,642	1.49
Nov [p]	174,024	266,000	1.53	86,666	146,671	1.69	37,008	45,490	1.23	50,350	73,839	1.47
Dec [p]										52,098		

[1] Monthly average for year and total for month.
[2] Seasonally adjusted, end of period.
[3] Inventory/sales ratio. For annual periods, ratio of weighted average inventories to average monthly sales; for monthly data, ratio of inventories at end of month to sales for month.
[4] Manufacturing data prior to 1961 not completely comparable with later data.
[5] Based on seasonally adjusted data through November.

Note.—The inventory figures in this table do not agree with the estimates of change in business inventories included in the gross national product since these figures cover only manufacturing and trade rather than all business, and show inventories in terms of current book value without adjustment for revaluation.

Source: Department of Commerce (Bureau of Economic Analysis and Bureau of the Census).

TABLE B–40.—*Manufacturers' shipments and inventories, 1947–75*

[Millions of dollars; monthly data seasonally adjusted]

Year or month	Shipments [1]			Inventories [2]							
					Durable goods industries				Nondurable goods industries			
	Total	Durable goods industries	Nondurable goods industries	Total	Total	Materials and supplies	Work in process	Finished goods	Total	Materials and supplies	Work in process	Finished goods
1947	15,513	6,694	8,819	25,897	13,061				12,836			
1948	17,316	7,579	9,738	28,543	14,662				13,881			
1949	16,126	7,191	8,935	26,321	13,060				13,261			
1950	18,634	8,845	9,789	31,078	15,539				15,539			
1951	21,714	10,493	11,221	39,306	20,991				18,315			
1952	22,529	11,313	11,216	41,136	23,731				17,405			
1953	24,843	13,349	11,494	43,948	25,878	8,966	10,720	6,206	18,070	8,317	2,472	7,409
1954	23,355	11,828	11,527	41,612	23,710	7,894	9,721	6,040	17,902	8,167	2,440	7,415
1955	26,480	14,071	12,409	45,069	26,405	9,194	10,756	6,348	18,664	8,556	2,571	7,666
1956	27,740	14,715	13,025	50,642	30,447	10,417	12,317	7,565	20,195	8,971	2,721	8,622
1957	28,736	15,237	13,499	51,871	31,728	10,608	12,837	8,125	20,143	8,775	2,864	8,624
1958	27,280	13,571	13,708	50,070	30,095	9,847	12,294	7,749	19,975	8,671	2,800	8,498
1959	30,219	15,545	14,674	52,707	31,839	10,585	12,952	8,143	20,868	9,089	2,928	8,857
1960	30,796	15,817	14,979	53,814	32,360	10,286	12,780	9,190	21,454	9,113	2,935	9,353
1961 [3]	30,896	15,544	15,352	54,939	32,509	10,242	13,211	9,056	22,430	9,464	3,193	9,773
1962	33,113	17,103	16,010	58,213	34,605	10,798	14,205	9,602	23,608	9,841	3,304	10,463
1963	35,032	18,247	16,786	60,043	35,813	11,001	14,997	9,815	24,230	10,003	3,410	10,817
1964	37,335	19,634	17,701	63,386	38,436	11,927	16,253	10,256	24,950	10,185	3,519	11,246
1965	41,003	22,216	18,788	68,221	42,227	13,299	18,152	10,776	25,994	10,488	3,823	11,683
1966	44,869	24,633	20,236	77,965	49,818	15,501	21,978	12,339	28,147	11,220	4,237	12,690
1967	46,449	25,212	21,236	84,655	54,931	16,445	25,017	13,469	29,724	11,746	4,434	13,544
1968	50,282	27,694	22,588	90,875	59,112	17,418	27,605	14,089	31,763	12,299	4,849	14,615
1969	53,555	29,459	24,096	97,074	63,371	18,668	29,175	15,528	33,703	12,823	5,152	15,728
1970	52,859	28,229	24,629	101,645	66,768	19,000	30,393	17,375	34,877	13,130	5,278	16,469
1971	55,917	29,948	25,969	102,445	66,050	19,270	29,142	17,638	36,395	13,578	5,647	17,170
1972	62,017	33,443	28,573	107,719	70,218	20,010	32,074	18,134	37,501	13,865	5,968	17,668
1973	71,398	38,724	32,674	120,870	79,441	24,423	36,078	18,940	41,429	15,818	6,597	19,014
1974	81,723	42,635	39,089	150,404	97,967	33,393	41,506	23,068	52,437	20,727	8,044	23,666
1975 [4]	82,297	41,297	41,001	146,671	95,953	30,980	41,140	23,833	50,718	19,526	7,722	23,470
1974: Jan	76,501	40,106	36,395	122,570	80,541	24,923	36,285	19,333	42,029	16,335	6,568	19,126
Feb	77,314	40,409	36,905	124,831	81,925	25,494	36,942	19,489	42,906	16,751	6,754	19,401
Mar	78,627	41,065	37,562	126,500	83,014	26,335	37,264	19,415	43,486	17,062	6,732	19,692
Apr	79,251	41,433	37,818	128,438	84,108	26,913	37,721	19,474	44,330	17,535	6,922	19,873
May	81,346	42,767	38,579	130,936	85,715	27,739	38,335	19,641	45,221	18,046	7,056	20,119
June	81,519	43,138	38,381	133,541	87,366	28,471	38,870	20,025	46,175	18,506	7,307	20,362
July	83,728	43,831	39,897	136,731	89,286	29,439	39,341	20,506	47,445	19,111	7,503	20,831
Aug	85,481	44,546	40,935	139,727	91,004	30,416	39,913	20,675	48,723	19,623	7,681	21,419
Sept	85,749	44,828	40,921	142,975	93,184	31,102	40,488	21,594	49,791	20,226	7,748	21,817
Oct	87,402	45,857	41,545	145,062	94,680	31,846	40,848	21,986	50,382	20,273	7,823	22,286
Nov	85,675	44,275	41,400	147,135	95,787	32,164	41,121	22,502	51,348	20,353	7,917	23,078
Dec	79,737	40,799	38,938	150,404	97,967	33,393	41,506	23,068	52,437	20,727	8,044	23,666
1975: Jan	79,234	40,247	38,987	151,624	99,124	34,103	41,454	23,567	52,500	20,715	7,750	24,035
Feb	79,214	39,992	39,222	151,993	100,082	34,561	41,632	23,889	51,911	20,436	7,664	23,811
Mar	77,509	39,124	38,385	151,194	99,879	34,304	41,513	24,062	51,315	20,181	7,463	23,671
Apr	80,333	40,851	39,482	150,184	99,803	33,738	41,939	24,126	50,381	19,734	7,481	23,166
May	79,423	40,183	39,240	148,951	99,378	33,090	42,022	24,266	49,573	19,503	7,323	22,747
June	80,740	40,458	40,282	148,059	98,796	32,676	41,917	24,203	49,263	19,232	7,407	22,624
July	82,902	41,227	41,675	147,189	98,189	32,159	42,031	23,999	49,000	19,135	7,457	22,408
Aug	85,258	42,492	42,766	146,583	97,199	31,626	41,692	23,881	49,384	19,130	7,540	22,714
Sept	86,288	43,280	43,008	146,413	96,640	31,370	41,177	24,093	49,773	19,203	7,639	22,931
Oct	87,704	43,908	43,796	146,510	96,215	31,072	41,175	23,968	50,295	19,657	7,635	23,003
Nov [p]	86,666	42,503	44,163	146,671	95,953	30,980	41,140	23,833	50,718	19,526	7,722	23,470

[1] Monthly average for year and total for month.
[2] Book value, seasonally adjusted, end of period, except as noted.
[3] Data prior to 1961 not completely comparable with later data.
[4] Based on seasonally adjusted data through November.

Source: Department of Commerce, Bureau of the Census.

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TABLE B–41.—*Manufacturers' new and unfilled orders, 1947–75*

[Amounts in millions of dollars; monthly data seasonally adjusted]

Year or month	New orders [1]				Unfilled orders [2]			Unfilled orders—shipments ratio [3]		
	Total	Durable goods industries		Nondurable goods industries	Total	Durable goods industries	Nondurable goods industries	Total	Durable goods industries	Nondurable goods industries
		Total	Capital goods industries, nondefense							
1947	15,256	6,388	.....	8,868	34,473	28,579	5,894	.....	.....	.....
1948	17,693	8,126	.....	9,566	30,736	26,619	4,117	.....	.....	.....
1949	15,614	6,633	.....	8,981	24,045	19,622	4,423	.....	.....	.....
1950	20,110	10,165	.....	9,945	41,456	35,435	6,021	.....	.....	.....
1951	23,907	12,841	.....	11,066	67,266	63,394	3,872	.....	.....	.....
1952	23,204	12,061	.....	11,143	75,857	72,680	3,177	.....	.....	.....
1953	23,586	12,147	.....	11,439	61,178	58,637	2,541	.....	.....	.....
1954	22,335	10,768	.....	11,566	48,266	45,250	3,016	3.42	4.12	0.96
1955	27,465	14,996	.....	12,469	60,004	56,241	3,763	3.63	4.27	1.12
1956	28,368	15,365	.....	13,003	67,375	63,880	3,495	3.87	4.55	1.04
1957	27,559	14,111	.....	13,448	53,183	50,352	2,831	3.35	4.00	.85
1958	26,903	13,171	.....	13,733	48,882	45,739	3,143	2.60	3.49	.55
1959	30,672	15,948	.....	14,724	54,494	50,654	3,840	2.85	3.44	.88
1960	30,115	15,223	.....	14,893	46,133	43,401	2,732	2.58	3.21	.63
1961 [4]	31,086	15,699	.....	15,387	48,395	45,241	3,154	2.52	3.01	.72
1962	33,005	17,025	.....	15,980	47,307	44,485	2,822	2.46	2.95	.65
1963	35,322	18,521	.....	16,801	50,940	47,958	2,982	2.40	2.89	.63
1964	37,952	20,258	.....	17,694	58,506	55,623	2,883	2.49	2.99	.57
1965	41,803	22,986	.....	18,817	68,146	64,920	3,226	2.62	3.12	.60
1966	45,944	25,720	.....	20,224	81,029	77,964	3,065	2.93	3.51	.56
1967	46,763	25,526	.....	21,238	84,994	81,904	3,090	2.81	3.38	.52
1968	50,243	27,666	6,971	22,577	84,146	81,209	2,937	2.71	3.27	.47
1969	53,646	29,549	7,694	24,097	85,265	82,313	2,952	2.59	3.13	.45
1970	52,118	27,486	7,055	24,632	76,272	73,286	2,986	2.41	2.92	.45
1971	55,726	29,745	7,324	25,981	73,928	70,798	3,130	2.17	2.62	.44
1972	62,922	34,274	8,487	28,648	84,948	80,914	4,034	2.19	2.61	.52
1973	73,836	41,098	10,310	32,738	114,694	109,862	4,832	2.63	3.13	.57
1974	83,297	44,289	11,494	39,009	133,832	129,944	3,888	2.96	3.56	.45
1975 [5]	80,956	39,838	10,276	41,118	119,108	113,920	5,188	2.49	3.03	.50
1974: Jan.	78,251	41,627	11,003	36,624	116,445	111,384	5,061	2.63	3.14	.57
Feb.	79,463	42,603	11,415	36,860	118,599	113,584	5,015	2.64	3.16	.56
Mar.	79,977	42,404	11,300	37,573	119,955	114,927	5,028	2.64	3.14	.57
Apr.	82,260	44,325	11,925	37,935	122,961	117,817	5,144	2.68	3.20	.56
May	80,493	46,959	11,804	38,534	127,114	122,016	5,098	2.68	3.21	.54
June	85,529	47,201	12,011	38,328	131,129	126,082	5,047	2.76	3.30	.54
July	87,226	47,418	12,800	39,808	134,623	129,667	4,956	2.81	3.39	.52
Aug.	90,114	49,184	11,805	40,930	139,256	134,305	4,951	2.87	3.45	.52
Sept.	86,959	46,214	11,832	40,745	140,467	135,695	4,772	2.88	3.46	.50
Oct.	85,678	44,393	11,383	41,285	138,738	134,224	4,514	2.77	3.32	.47
Nov.	83,805	42,705	10,623	41,100	136,869	132,656	4,213	2.81	3.38	.44
Dec.	76,704	38,092	10,459	38,612	133,832	129,944	3,888	2.96	3.56	.45
1975: Jan.	75,068	36,172	10,077	38,896	129,671	125,873	3,798	2.91	3.50	.44
Feb.	76,478	37,362	9,970	39,116	126,939	123,246	3,693	2.85	3.44	.42
Mar.	74,363	35,973	9,522	38,390	123,798	120,099	3,699	2.87	3.47	.44
Apr.	78,600	38,983	10,309	39,617	122,066	118,231	3,835	2.73	3.29	.44
May	78,753	39,428	10,302	39,325	121,396	117,476	3,920	2.74	3.33	.44
June	80,237	39,730	10,138	40,507	120,901	116,753	4,148	2.71	3.30	.45
July	83,550	41,681	10,728	41,869	121,548	117,206	4,342	2.69	3.29	.45
Aug.	85,649	42,688	10,392	42,961	121,945	117,408	4,537	2.62	3.17	.47
Sept.	85,453	42,227	10,214	43,226	121,113	116,356	4,757	2.54	3.08	.48
Oct.	86,422	42,393	10,689	44,029	119,832	114,845	4,987	2.46	2.97	.50
Nov. [p]	85,943	41,580	10,690	44,363	119,108	113,920	5,188	2.49	3.03	.50

[1] Monthly average for year and total for month.
[2] Seasonally adjusted, end of period.
[3] Ratio of unfilled orders at end of period to shipments for period; excludes industries with no unfilled orders. Annual figures relate to seasonally adjusted data for December.
[4] Data prior to 1961 not completely comparable with later data.
[5] Based on seasonally adjusted data through November.

Source: Department of Commerce, Bureau of the Census.

TABLE B–42.—*Consumer price indexes by expenditure classes, 1929–75*

For urban wage earners and clerical workers

[1967=100]

Year or month	All items	Food	Housing		Apparel and upkeep	Transportation	Medical care	Personal care	Reading and recreation	Other goods and services
			Total	Rent						
1929	51.3	48.3	.....	76.0	48.5	.....	.....	.....	.....	.....
1933	38.8	30.6	.....	54.1	36.9	.....	.....	.....	.....	.....
1939	41.6	34.6	52.2	56.0	42.4	43.0	36.7	40.3	45.3	46.9
1940	42.0	35.2	52.4	56.2	42.8	42.7	36.8	40.2	46.1	48.3
1941	44.1	38.4	53.7	57.2	44.8	44.2	37.0	41.2	47.7	49.2
1942	48.8	45.1	56.2	58.5	52.3	48.1	38.0	45.2	50.0	50.7
1943	51.8	50.3	56.8	58.5	54.6	47.9	39.9	49.9	54.1	53.3
1944	52.7	49.6	58.1	58.6	58.5	47.9	41.1	53.4	60.0	54.7
1945	53.9	50.7	59.1	58.8	61.5	47.8	42.1	55.1	62.4	56.9
1946	58.5	58.1	60.6	59.2	67.5	50.3	44.4	59.0	64.5	58.8
1947	66.9	70.6	65.2	61.1	78.2	55.5	48.1	66.0	68.7	63.8
1948	72.1	76.6	69.8	65.1	83.3	61.8	51.1	68.5	72.2	66.8
1949	71.4	73.5	70.9	68.0	80.1	66.4	52.7	68.3	74.9	68.7
1950	72.1	74.5	72.8	70.4	79.0	68.2	53.7	68.3	74.4	69.9
1951	77.8	82.8	77.2	73.2	86.1	72.5	56.3	74.7	76.6	72.8
1952	79.5	84.3	78.7	76.2	85.3	77.3	59.3	75.6	76.9	76.6
1953	80.1	83.0	80.8	80.3	84.6	79.5	61.4	76.3	77.7	78.5
1954	80.5	82.8	81.7	83.2	84.5	78.3	63.4	76.6	76.9	79.8
1955	80.2	81.6	82.3	84.3	84.1	77.4	64.8	77.9	76.7	79.8
1956	81.4	82.2	83.6	85.9	85.8	78.8	67.2	81.1	77.8	81.0
1957	84.3	84.9	86.2	87.5	87.3	83.3	69.9	84.1	80.7	83.3
1958	86.6	88.5	87.7	89.1	87.5	86.0	73.2	86.9	83.9	84.4
1959	87.3	87.1	88.6	90.4	88.2	89.6	76.4	88.7	85.3	86.1
1960	88.7	88.0	90.2	91.7	89.6	89.6	79.1	90.1	87.3	87.8
1961	89.6	89.1	90.9	92.9	90.4	90.6	81.4	90.6	89.3	88.5
1962	90.6	89.9	91.7	94.0	90.9	92.5	83.5	92.2	91.3	89.1
1963	91.7	91.2	92.7	95.0	91.9	93.0	85.6	93.4	92.8	90.6
1964	92.9	92.4	93.8	95.9	92.7	94.3	87.3	94.5	95.0	92.0
1965	94.5	94.4	94.9	96.9	93.7	95.9	89.5	95.2	95.9	94.2
1966	97.2	99.1	97.2	98.2	96.1	97.2	93.4	97.1	97.5	97.2
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.2	103.6	104.2	102.4	105.4	103.2	106.1	104.2	104.7	104.6
1969	109.8	108.9	110.8	105.7	111.5	107.2	113.4	109.3	108.7	109.1
1970	116.3	114.9	118.9	110.1	116.1	112.7	120.6	113.2	113.4	116.0
1971	121.3	118.4	124.3	115.2	119.8	118.6	128.4	116.8	119.3	120.9
1972	125.3	123.5	129.2	119.2	122.3	119.9	132.5	119.8	122.8	125.5
1973	133.1	141.4	135.0	124.3	126.8	123.8	137.7	125.2	125.9	129.0
1974	147.7	161.7	150.6	130.6	136.2	137.7	150.5	137.3	133.8	137.2
1975	161.2	175.4	166.8	137.3	142.3	150.6	168.6	150.7	144.4	147.4
1974: Jan	139.7	153.7	142.2	127.7	128.8	128.1	142.2	129.8	128.3	131.8
Feb	141.5	157.6	143.5	128.4	130.4	129.3	143.4	130.8	128.9	132.3
Mar	143.1	159.1	144.9	128.7	132.2	132.0	144.8	131.8	129.5	132.8
Apr	143.9	158.6	146.1	129.2	133.6	133.7	145.6	133.1	130.4	133.6
May	145.5	159.7	147.6	129.6	135.0	136.3	147.2	134.9	132.0	134.4
June	146.9	160.3	149.2	130.2	135.7	138.8	149.4	136.5	133.5	135.8
July	148.0	160.5	150.9	130.6	135.3	140.6	151.4	137.8	134.6	137.7
Aug	149.9	162.8	152.9	131.2	138.1	141.3	153.7	139.3	135.2	139.4
Sept	151.7	165.0	154.9	131.8	139.9	142.2	155.2	141.2	137.0	140.4
Oct	153.0	166.1	156.7	132.5	141.1	142.9	156.3	143.0	137.8	141.4
Nov	154.3	167.8	158.3	133.1	142.4	143.4	157.5	144.2	138.8	142.7
Dec	155.4	169.7	159.9	133.7	141.9	143.5	159.0	145.3	139.8	143.9
1975: Jan	156.1	170.9	161.3	134.5	139.4	143.2	161.0	146.5	141.0	144.8
Feb	157.2	171.6	162.8	135.1	140.2	143.5	163.0	147.8	141.8	145.9
Mar	157.8	171.3	163.6	135.5	140.9	144.8	164.6	148.9	142.0	146.5
Apr	158.6	171.2	164.7	135.9	141.3	146.2	165.8	149.5	143.5	146.8
May	159.3	171.8	165.3	136.4	141.8	147.4	166.8	149.9	143.8	147.1
June	160.6	174.4	166.4	136.9	141.4	149.8	168.1	150.3	144.1	147.3
July	162.3	178.6	167.1	137.3	141.1	152.6	169.8	151.2	144.4	147.6
Aug	162.8	178.1	167.7	138.0	142.3	153.6	170.9	151.4	144.7	148.1
Sept	163.6	177.8	168.9	138.4	143.5	155.4	172.2	152.1	146.0	148.0
Oct	164.6	179.0	169.8	139.3	144.6	156.1	173.5	152.9	146.6	148.5
Nov	165.6	179.8	171.3	139.9	145.5	157.4	173.3	153.6	147.0	148.9
Dec	166.3	180.7	172.2	140.6	145.2	157.6	174.7	154.6	147.5	149.8

Source: Department of Labor, Bureau of Labor Statistics.

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TABLE B-43.—*Consumer price indexes by commodity and service groups, 1939–75*

For urban wage earners and clerical workers

[1967=100]

Year or month	All items	Commodities					Services			Special indexes		
		All commodities	Food	Commodities less food			All services	Rent	Services less rent	All items less food	All items less shelter	Nondurable commodities
				All	Durable	Nondurable						
1939	41.6	40.2	34.6	47.7	48.5	44.3	43.5	56.0	38.1	47.2	39.7	38.4
1940	42.0	40.6	35.2	48.0	48.1	44.7	43.6	56.2	38.1	47.3	39.9	38.9
1941	44.1	43.3	38.4	50.4	51.4	46.7	44.2	57.2	38.6	48.7	42.4	41.6
1942	48.8	49.6	45.1	56.0	58.4	51.6	45.6	58.5	40.3	52.1	47.7	47.6
1943	51.8	54.0	50.3	58.4	60.3	53.8	46.4	58.5	42.1	53.6	51.3	51.8
1944	52.7	54.7	49.6	61.6	65.9	56.6	47.5	58.6	44.2	55.7	52.2	52.2
1945	53.9	56.3	50.7	64.1	70.9	58.6	48.2	58.8	45.1	56.9	53.6	53.7
1946	58.5	62.4	58.1	68.1	74.1	62.9	49.1	59.2	46.7	59.4	59.0	59.6
1947	66.9	75.0	70.6	76.8	80.3	72.2	51.1	61.1	49.0	64.9	68.5	71.9
1948	72.1	80.4	76.6	82.7	86.2	77.8	54.3	65.1	51.9	69.6	73.9	77.2
1949	71.4	78.3	73.5	81.5	87.4	76.3	56.9	68.0	54.5	70.3	72.6	74.9
1950	72.1	78.8	74.5	81.4	88.4	76.2	58.7	70.4	56.0	71.1	73.1	75.4
1951	77.8	85.9	82.8	87.5	95.1	82.0	61.8	73.2	59.3	75.7	79.2	82.5
1952	79.5	87.0	84.3	88.3	96.4	82.4	64.5	76.2	62.2	77.5	80.8	83.4
1953	80.1	86.7	83.0	88.5	95.7	83.1	67.3	80.3	64.8	79.0	81.0	83.2
1954	80.5	85.9	82.8	87.5	93.3	83.5	69.5	83.2	66.7	79.5	81.0	83.2
1955	80.2	85.1	81.6	86.9	91.5	83.5	70.9	84.3	68.2	79.7	80.6	82.5
1956	81.4	85.9	82.2	87.8	91.5	85.3	72.7	85.9	70.1	81.1	81.7	83.7
1957	84.3	88.6	84.9	90.5	94.4	87.6	75.6	87.5	73.3	83.8	84.4	86.3
1958	86.6	90.6	88.5	91.5	95.9	88.2	78.5	89.1	76.4	85.7	86.9	88.6
1959	87.3	90.7	87.1	92.7	97.3	89.3	80.8	90.4	79.0	87.3	87.6	88.2
1960	88.7	91.5	88.0	93.1	96.7	90.7	83.5	91.7	81.9	88.8	88.9	89.4
1961	89.6	92.0	89.1	93.4	96.6	91.2	85.2	92.9	83.9	89.7	89.9	90.2
1962	90.6	92.8	89.9	94.1	97.6	91.8	86.8	94.0	85.5	90.8	90.9	90.9
1963	91.7	93.6	91.2	94.8	97.9	92.7	88.5	95.0	87.3	92.0	92.1	92.0
1964	92.9	94.6	92.4	95.6	98.8	93.5	90.2	95.9	89.2	93.2	93.2	93.0
1965	94.5	95.7	94.4	96.2	98.4	94.8	92.2	96.9	91.5	94.5	94.6	94.6
1966	97.2	98.2	99.1	97.5	98.5	97.0	95.8	98.2	95.3	96.7	97.4	98.1
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.2	103.7	103.6	103.7	103.1	104.1	105.2	102.4	105.7	104.4	104.1	103.9
1969	109.8	108.4	108.9	108.1	107.0	108.8	112.5	105.7	113.8	110.1	109.0	108.9
1970	116.3	113.5	114.9	112.5	111.8	113.1	121.6	110.1	123.7	116.7	114.4	114.0
1971	121.3	117.4	118.4	116.8	116.5	117.0	128.4	115.2	130.8	122.1	119.3	117.7
1972	125.3	120.9	123.5	119.4	118.9	119.8	133.3	119.2	135.9	125.8	122.9	121.7
1973	133.1	129.9	141.4	123.5	121.9	124.8	139.1	124.3	141.8	130.7	131.1	132.8
1974	147.7	145.5	161.7	136.6	130.6	140.9	152.1	130.6	156.0	143.7	146.1	151.0
1975	161.2	158.4	175.4	149.1	145.5	151.7	166.6	137.3	171.9	157.1	159.1	163.2
1974: Jan	139.7	137.0	153.7	127.9	123.3	131.3	144.8	127.7	148.0	135.6	137.8	142.1
Feb	141.5	139.3	157.6	129.2	123.4	133.5	145.9	128.4	149.1	136.9	139.8	145.2
Mar	143.1	141.0	159.1	131.1	124.3	136.1	147.1	128.7	150.4	138.4	141.5	147.2
Apr	143.9	141.8	158.6	132.6	125.6	137.7	148.0	129.2	151.4	139.6	142.3	147.8
May	145.5	143.4	159.7	134.5	127.5	139.5	149.5	129.6	153.1	141.3	144.0	149.3
June	146.9	144.8	160.3	136.2	129.7	141.0	150.9	130.2	154.7	143.0	145.4	150.4
July	148.0	145.6	160.5	137.5	131.5	141.8	152.6	130.6	156.6	144.4	146.4	150.9
Aug	149.9	147.6	162.8	139.3	133.2	143.7	154.2	131.2	158.4	146.1	148.3	153.0
Sep	151.7	149.4	165.0	140.9	134.8	145.3	156.0	131.8	160.3	147.8	150.0	154.8
Oct	153.0	150.7	166.1	142.2	136.8	146.1	157.3	132.5	161.9	149.1	151.2	155.8
Nov	154.3	152.0	167.8	143.3	138.0	147.2	158.7	133.1	163.3	150.4	152.5	157.2
Dec	155.4	153.0	169.7	143.9	138.8	147.7	160.1	133.7	164.8	151.3	153.5	158.3
1975: Jan	156.1	153.4	170.9	143.9	139.3	147.2	161.3	134.5	166.2	151.9	154.1	158.7
Feb	157.2	154.4	171.6	144.9	140.3	148.2	162.6	135.1	167.5	153.0	155.0	159.6
Mar	157.8	155.0	171.3	146.0	142.1	148.8	163.2	135.5	168.3	153.9	155.6	159.7
Apr	158.6	155.7	171.2	147.2	143.6	149.8	164.1	135.9	169.2	154.9	156.3	160.1
May	159.3	156.5	171.8	148.1	144.8	150.5	164.5	136.4	169.6	155.6	157.0	160.8
June	160.6	157.9	174.4	148.9	145.8	151.2	165.7	136.9	170.9	156.6	158.4	162.4
July	162.3	160.1	178.6	149.9	146.9	152.2	166.6	137.3	171.9	157.6	160.3	165.0
Aug	162.8	160.4	178.1	150.7	147.5	153.0	167.4	138.0	172.7	158.3	160.8	165.2
Sept	163.6	160.8	177.8	151.4	148.2	153.8	169.1	138.4	174.6	159.5	161.6	165.4
Oct	164.6	161.7	179.0	152.2	148.9	154.6	170.1	139.3	175.7	160.4	162.6	166.4
Nov	165.6	162.2	179.8	152.6	149.2	155.1	172.0	139.9	177.7	161.5	163.4	167.1
Dec	166.3	162.7	180.7	152.8	149.3	155.4	173.1	140.6	179.0	162.1	164.1	167.6

Source: Department of Labor, Bureau of Labor Statistics.

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TABLE B–44.—*Consumer price indexes, selected commodities and services, 1939–75*

For urban wage earners and clerical workers

[1967=100]

Year or month	Durable commodities				Nondurable commodities less food			Services less rent				
	Total [1]	New cars	Used cars	Household durables	Total	Apparel commodities	Nondurables less food and apparel	Total	Household services less rent	Transportation services	Medical care services	Other [2]
1939	48.5	43.2	.....	56.6	44.3	43.0	46.3	38.1	.....	36.1	32.5	.....
1940	48.1	43.3	.....	55.9	44.7	43.5	46.8	38.1	.....	36.1	32.5	.....
1941	51.4	46.6	.....	59.8	46.7	45.8	48.4	38.6	.....	36.3	32.7	.....
1942	58.4	.....	.....	66.9	51.6	53.5	51.1	40.3	.....	38.2	33.7	.....
1943	60.3	.....	.....	69.5	53.8	55.9	53.2	42.1	.....	38.2	35.4	.....
1944	65.9	.....	.....	76.0	56.6	59.8	54.7	44.2	.....	38.2	36.9	.....
1945	70.9	.....	.....	81.8	58.6	63.0	55.8	45.1	.....	38.2	37.9	.....
1946	74.1	.....	.....	86.5	62.9	69.5	58.2	46.7	.....	39.0	40.1	.....
1947	80.3	69.2	.....	95.6	72.2	80.4	66.2	49.0	.....	40.3	43.5	.....
1948	86.2	75.6	.....	101.7	77.8	85.4	72.3	51.9	.....	44.9	46.4	.....
1949	87.4	82.8	.....	99.0	76.3	82.0	72.4	54.5	.....	50.0	48.1	.....
1950	88.4	83.4	.....	100.2	76.2	81.1	72.9	56.0	.....	53.3	49.2	.....
1951	95.1	87.4	.....	109.8	82.0	88.7	77.5	59.3	.....	58.3	51.7	.....
1952	96.4	94.9	.....	106.9	82.4	87.7	79.0	62.2	.....	62.4	55.0	.....
1953	95.7	95.8	89.2	105.7	83.1	86.7	81.0	64.8	.....	66.4	57.0	.....
1954	93.3	94.3	75.9	102.9	83.5	86.3	81.8	66.7	.....	69.2	58.7	.....
1955	91.5	90.9	71.8	100.1	83.5	85.8	82.1	68.2	.....	69.4	60.4	.....
1956	91.5	93.5	69.1	99.7	85.3	87.3	84.1	70.1	71.2	70.5	62.8	71.1
1957	94.4	98.4	77.4	101.4	87.6	88.2	87.4	73.3	75.4	73.8	65.5	73.9
1958	95.9	101.5	80.2	102.1	88.2	88.2	88.3	76.4	79.4	78.5	68.7	76.2
1959	97.3	105.9	89.5	102.0	89.3	89.0	89.6	79.0	81.6	81.2	72.0	78.0
1960	96.7	104.5	83.6	101.9	90.7	90.3	90.9	81.9	85.0	83.3	74.9	80.8
1961	96.6	104.5	86.9	100.7	91.2	90.8	91.3	83.9	86.0	85.3	77.7	83.4
1962	97.6	104.1	94.8	100.6	91.8	91.2	92.1	85.5	87.1	86.6	80.2	85.6
1963	97.9	103.5	96.0	100.3	92.7	92.0	93.1	87.3	89.0	87.5	82.6	87.7
1964	98.8	103.2	100.1	100.2	93.5	92.8	93.9	89.2	90.4	89.6	84.6	90.1
1965	98.4	100.9	99.4	98.7	94.8	93.6	95.5	91.5	92.1	92.9	87.3	92.6
1966	98.5	99.1	97.0	98.6	97.0	96.0	97.5	95.3	95.7	96.8	92.0	96.2
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	103.1	102.8	(3)	103.3	104.1	105.6	103.3	105.7	105.9	104.0	107.3	105.6
1969	107.0	104.4	103.1	107.4	108.8	111.9	107.0	113.8	115.3	111.3	116.0	110.6
1970	111.8	107.6	104.3	110.2	113.1	116.5	111.2	123.7	126.8	123.1	124.2	116.7
1971	116.5	112.0	110.2	112.9	117.0	120.1	115.2	130.8	132.6	133.0	133.3	122.5
1972	118.9	111.0	110.5	115.0	119.8	122.7	118.2	135.9	139.2	136.0	138.2	125.8
1973	121.9	111.1	117.6	118.8	124.8	127.1	123.4	141.8	146.8	136.9	144.3	131.6
1974	130.6	117.5	122.6	128.9	140.9	136.1	143.8	156.0	166.0	141.9	159.1	141.6
1975	145.5	127.6	146.4	140.3	151.7	141.2	157.9	171.9	184.7	152.7	179.1	152.1
1974: Jan.	123.3	112.9	107.0	121.8	131.3	128.6	132.9	148.0	155.8	138.8	149.7	135.9
Feb.	123.4	112.7	103.0	122.5	133.5	130.3	135.5	149.1	157.1	139.1	151.1	136.8
Mar.	124.3	112.8	102.2	123.7	136.1	132.1	138.5	150.4	158.8	139.6	152.7	137.6
Apr.	125.6	113.3	107.0	125.1	137.7	133.6	140.1	151.4	160.1	140.1	153.6	138.4
May	127.5	114.6	114.4	126.5	139.5	135.0	142.2	153.1	162.1	140.5	155.4	140.2
June	129.7	116.4	122.2	128.2	141.0	135.6	144.3	154.7	164.0	141.5	158.0	141.1
July	131.5	118.0	127.9	129.5	141.8	135.0	145.9	156.6	166.5	142.3	160.2	142.1
Aug.	133.2	118.1	132.0	131.5	143.7	138.0	147.2	158.4	169.0	142.7	162.8	143.0
Sept.	134.8	118.4	135.9	133.0	145.3	139.8	148.6	160.3	171.5	143.4	164.5	144.7
Oct.	136.8	123.7	139.4	134.1	146.1	141.0	149.2	161.9	173.8	144.0	165.6	145.5
Nov.	138.0	124.5	141.6	135.4	147.2	142.3	150.2	163.3	175.7	144.9	167.0	146.7
Dec.	138.8	124.9	138.4	136.0	147.7	141.6	151.3	164.8	177.5	146.0	168.5	147.7
1975: Jan.	139.3	123.4	134.9	136.8	147.2	138.6	152.3	166.2	179.0	146.5	170.7	148.8
Feb.	140.3	124.5	133.5	137.3	148.2	139.2	153.6	167.5	180.4	147.2	172.9	149.7
Mar.	142.1	127.3	135.3	138.3	148.8	139.9	154.2	168.3	180.8	148.3	174.7	150.1
Apr.	143.6	127.5	138.1	139.4	149.8	140.3	155.4	169.2	181.7	149.5	175.9	150.6
May	144.8	126.8	142.2	140.0	150.5	140.8	156.3	169.6	182.1	149.6	177.0	151.0
June	145.8	127.0	147.5	140.3	151.2	140.3	157.7	170.9	183.9	150.4	178.4	151.4
July	146.9	126.6	153.2	140.6	152.2	139.8	159.5	171.9	184.8	151.1	180.4	152.0
Aug.	147.5	126.8	156.1	141.0	153.0	141.1	160.1	172.7	185.6	151.9	181.7	152.4
Sept.	148.2	126.5	156.6	141.7	153.8	142.3	160.7	174.6	187.0	156.1	183.2	153.8
Oct.	148.9	129.9	156.5	142.3	154.6	143.5	161.3	175.7	188.2	157.0	184.6	154.4
Nov.	149.2	131.3	153.7	142.9	155.1	144.4	161.5	177.7	190.7	161.7	184.2	155.2
Dec.	149.3	134.0	149.6	143.0	155.4	143.9	162.2	179.0	192.0	163.2	185.8	155.7

[1] Includes certain items not shown separately.
[2] Includes the services components of apparel, personal care, reading and recreation, and other goods and services.
[3] Not available.

Source: Department of Labor, Bureau of Labor Statistics.

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TABLE B–45.—*Consumer price indexes, seasonally adjusted, 1972–75*
For urban wage earners and clerical workers

[1967=100, seasonally adjusted]

Year and month	Special indexes			Commodity groups					Selected expenditure classes				
	All items less food	All items less shelter	All items less medical care	All commodities	Food	Commodities less food			Shelter	Fuel and utilities	Apparel and upkeep	Transportation	Medical care
						Total	Durable	Nondurable					
1972: Jan.	124.2	121.3	123.0	119.2	120.8	118.2	117.5	118.6	132.3	118.3	121.3	119.0	130.8
Feb.	124.4	121.6	123.5	119.6	122.2	118.3	117.8	118.8	132.7	118.5	121.4	118.8	131.1
Mar.	124.6	121.8	123.6	119.7	122.0	118.6	118.1	119.0	132.9	118.7	121.7	119.0	131.3
Apr.	125.0	121.9	123.9	119.9	122.3	118.6	118.2	119.1	133.4	119.0	121.8	118.7	131.6
May	125.4	122.3	124.3	120.2	122.3	119.0	118.4	119.5	133.9	119.4	122.0	119.1	131.9
June	125.6	122.5	124.5	120.5	122.9	119.0	118.7	119.4	134.4	120.0	122.0	119.0	132.3
July	125.9	123.1	125.1	121.0	123.3	119.4	119.1	119.7	135.1	120.4	122.1	119.6	132.6
Aug.	126.2	123.2	125.3	121.3	124.0	119.6	119.5	119.9	135.5	120.5	122.0	120.1	132.6
Sept.	126.7	123.7	125.8	121.9	124.6	120.3	119.9	120.4	135.4	120.9	122.7	121.7	133.0
Oct.	126.8	124.2	126.1	122.2	125.4	120.3	119.6	120.8	135.6	121.2	123.2	121.0	134.2
Nov.	127.1	124.7	126.6	122.7	126.3	120.6	119.8	121.2	135.8	121.8	123.6	121.5	134.4
Dec.	127.5	124.9	126.9	123.0	126.5	120.9	120.2	121.5	136.5	121.9	124.0	121.5	134.7
1973: Jan.	127.6	125.7	127.6	123.9	129.2	121.0	120.1	121.4	136.9	122.7	124.1	121.1	135.2
Feb.	128.2	126.5	128.3	124.7	131.0	121.4	120.6	122.0	137.5	123.5	124.5	121.7	135.4
Mar.	128.7	127.7	129.5	126.1	134.0	121.9	121.0	122.5	137.8	123.9	125.2	122.1	135.7
Apr.	129.2	128.9	130.5	127.4	136.2	122.4	121.6	123.3	138.5	124.5	125.8	122.8	136.1
May	129.7	129.4	131.3	128.2	137.9	122.8	121.8	123.8	139.3	125.0	126.2	123.1	136.6
June	130.2	130.3	132.1	129.1	139.8	123.3	121.8	124.6	139.7	125.9	126.7	123.7	136.9
July	130.4	131.0	132.5	129.6	139.9	123.5	121.9	124.8	139.8	126.1	126.9	124.1	137.2
Aug.	131.0	133.5	135.0	132.7	148.8	123.9	122.4	125.2	141.1	126.7	127.8	124.1	137.3
Sept.	131.7	133.5	135.3	132.7	148.0	124.2	122.6	125.1	142.6	127.3	127.9	124.5	138.2
Oct.	132.8	134.5	136.3	133.4	149.0	125.0	122.7	126.6	144.3	129.4	128.4	124.9	140.7
Nov.	133.7	135.6	137.4	134.7	150.9	125.9	122.8	128.1	145.2	132.4	129.0	125.9	141.2
Dec.	134.7	136.8	138.4	135.8	152.1	126.8	123.1	129.7	146.0	135.9	129.5	127.1	141.5
1974: Jan.	135.7	138.2	140.0	137.6	154.6	128.4	123.7	132.0	147.2	140.5	130.1	128.4	142.5
Feb.	137.2	139.9	141.6	139.6	157.4	129.8	124.3	133.9	148.5	142.6	131.3	130.1	143.5
Mar.	138.7	141.4	143.1	140.9	158.2	131.5	125.2	136.2	149.8	144.0	132.6	132.5	144.7
Apr.	139.9	142.3	144.0	141.8	158.3	132.9	126.2	137.7	150.8	146.3	133.6	134.0	145.6
May	141.3	143.7	145.5	143.3	159.7	134.2	127.5	139.2	152.0	148.2	134.5	135.9	147.2
June	142.9	145.1	146.7	144.5	160.3	135.8	129.2	140.9	153.2	149.7	135.6	137.8	149.3
July	144.4	146.4	147.9	145.5	159.4	137.5	131.0	142.2	154.7	151.4	136.5	139.6	151.2
Aug.	146.2	148.3	149.7	147.5	162.2	139.3	132.8	144.1	156.2	153.2	139.5	140.7	153.4
Sept.	147.7	149.9	151.3	149.1	164.8	140.8	134.7	144.9	157.9	154.6	139.3	142.8	155.0
Oct.	148.8	151.2	152.6	150.5	166.9	141.8	136.3	145.7	159.5	156.1	139.8	142.8	156.5
Nov.	150.1	152.5	154.0	152.0	168.8	142.9	137.5	146.8	160.8	157.6	140.7	143.5	157.7
Dec.	151.1	153.8	155.3	153.2	170.4	143.8	138.7	147.4	162.6	158.4	140.8	143.9	159.2
1975: Jan.	152.1	154.6	156.3	154.0	171.9	144.5	139.7	147.9	164.1	160.2	140.8	143.5	161.3
Feb.	153.3	155.2	157.1	154.7	171.4	145.6	141.3	148.6	166.1	161.2	141.2	144.4	163.2
Mar.	154.2	155.4	157.5	154.8	170.3	146.4	143.1	148.9	166.9	162.0	141.3	145.4	164.4
Apr.	155.2	156.3	158.4	155.7	170.9	147.5	144.3	149.8	168.1	163.8	141.3	146.5	165.8
May	155.6	156.7	158.9	156.3	171.8	147.8	144.8	150.2	168.9	165.0	141.2	147.0	166.8
June	156.4	158.1	160.1	157.6	174.4	148.5	145.2	151.0	169.7	167.2	141.3	148.8	167.9
July	157.6	160.3	162.0	159.9	177.4	149.9	146.3	152.7	170.4	168.5	142.4	151.5	169.6
Aug.	158.5	160.8	162.4	160.2	177.4	150.7	147.1	153.5	170.7	169.6	143.7	153.0	170.6
Sept.	159.3	161.4	163.0	160.5	177.6	151.2	148.1	153.3	171.3	171.6	142.9	156.0	172.0
Oct.	160.1	162.6	163.9	161.5	179.9	151.7	148.3	154.1	172.0	173.0	143.3	155.9	173.7
Nov.	161.2	163.4	165.0	162.2	180.9	152.1	148.6	154.6	173.6	174.9	143.8	157.6	173.5
Dec.	161.9	164.4	165.8	162.9	181.4	152.6	149.2	155.1	174.5	176.1	144.0	158.1	174.9

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–46.—*Percent changes in consumer price indexes, major groups, 1948–75*

[Percent change]

Year or month	All items		Food		Commodities less food		Services [1]	
	Dec. to Dec. [2]	Year to year	Dec. to Dec. [2]	Year to year	Dec. to Dec. [2]	Year to year	Dec. to Dec.	Year to year
1948	2.7	7.8	−0.8	8.5	5.3	7.7	6.1	6.3
1949	−1.8	−1.0	−3.7	−4.0	−4.8	−1.5	3.6	4.8
1950	5.8	1.0	9.6	1.4	−5.7	−.1	3.6	3.2
1951	5.9	7.9	7.4	11.1	4.6	7.5	5.2	5.3
1952	.9	2.2	−1.1	1.8	−.5	.9	4.6	4.4
1953	.6	.8	−1.3	−1.5	.2	.2	4.2	4.3
1954	−.5	.5	−1.6	−.2	−1.4	−1.1	1.9	3.3
1955	.4	−.4	−.9	−1.4	0	−.7	2.3	2.0
1956	2.9	1.5	3.1	.7	2.5	1.0	3.1	2.5
1957	3.0	3.6	2.8	3.3	2.2	3.1	4.5	4.0
1958	1.8	2.7	2.2	4.2	.8	1.1	2.7	3.8
1959	1.5	.8	−.8	−1.6	1.5	1.3	3.7	2.9
1960	1.5	1.6	3.1	1.0	−.3	.4	2.7	3.3
1961	.7	1.0	−.9	1.3	.6	.3	1.9	2.0
1962	1.2	1.1	1.5	.9	.7	.7	1.7	1.9
1963	1.6	1.2	1.9	1.4	1.2	.7	2.3	2.0
1964	1.2	1.3	1.4	1.3	.4	.8	1.8	1.9
1965	1.9	1.7	3.4	2.2	.7	.6	2.6	2.2
1966	3.4	2.9	3.9	5.0	1.9	1.4	4.9	3.9
1967	3.0	2.9	1.2	.9	3.1	2.6	4.0	4.4
1968	4.7	4.2	4.3	3.6	3.7	3.7	6.1	5.2
1969	6.1	5.4	7.2	5.1	4.5	4.2	7.4	6.9
1970	5.5	5.9	2.2	5.5	4.8	4.1	8.2	8.1
1971	3.4	4.3	4.3	3.0	2.3	3.8	4.1	5.6
1972	3.4	3.3	4.7	4.3	2.5	2.2	3.6	3.8
1973	8.8	6.2	20.1	14.5	5.0	3.4	6.2	4.4
1974	12.2	11.0	12.2	14.4	13.2	10.6	11.3	9.3
1975	7.0	9.1	6.5	8.5	6.2	9.2	8.1	9.5
	Change from preceding month							
	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	
1974: Jan	0.9	1.1	1.6	1.6	0.6	1.3	0.7	
Feb	1.3	1.1	2.5	1.8	1.0	1.1	.8	
Mar	1.1	1.0	1.0	.5	1.5	1.3	.8	
Apr	.6	.7	−.3	.1	1.1	1.1	.6	
May	1.1	1.0	.7	.9	1.4	1.0	1.0	
June	1.0	.9	.4	.4	1.3	1.2	.9	
July	.7	.8	.1	−.6	1.0	1.3	1.1	
Aug	1.3	1.1	1.4	1.8	1.3	1.3	1.0	
Sept	1.2	1.2	1.4	1.6	1.1	1.1	1.2	
Oct	.9	.9	.7	1.3	.9	.7	.8	
Nov	.8	.9	1.0	1.1	.8	.8	.9	
Dec	.7	.8	1.1	.9	.4	.6	.9	
1975: Jan	.5	.6	.7	.9	0	.5	.7	
Feb	.7	.5	.4	−.3	.7	.8	.8	
Mar	.4	.3	−.2	−.6	.8	.5	.4	
Apr	.5	.6	−.1	.4	.8	.8	.6	
May	.4	.4	.4	.5	.6	.2	.2	
June	.8	.8	1.5	1.5	.5	.5	.7	
July	1.1	1.2	2.4	1.7	.7	.9	.5	
Aug	.3	.2	−.3	0	.5	.5	.5	
Sept	.5	.5	−.2	.1	.5	.3	1.0	
Oct	.6	.7	.7	1.3	.5	.3	.6	
Nov	.6	.7	.4	.6	.3	.3	1.1	
Dec	.4	.5	.5	.3	.1	.3	.6	

[1] Percent changes for services are based on unadjusted indexes since these prices have little seasonal movement.
[2] Changes from December to December are based on unadjusted indexes.

Note.—The seasonally adjusted changes for the all items index are based on seasonal adjustment factors and seasonally adjusted indexes to two decimal places.

Source: Department of Labor, Bureau of Labor Statistics.

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TABLE B–47.— *Wholesale price indexes by major commodity groups, 1929–75*

[1967=100]

Year or month	All commodities	Farm products and processed foods and feeds			Industrial commodities				
		Total	Farm products	Processed foods and feeds	Total	Textile products and apparel	Hides, skins, leather, and related products	Fuels and related products, and power[1]	Chemicals and allied products[1]
1929	49.1	.....	64.1	.....	48.6	.....	48.9	59.4	.....
1933	34.0	.....	31.4	.....	37.8	.....	36.3	47.6	47.4
1939	39.8	.....	40.0	.....	43.3	.....	42.8	52.3	51.5
1940	40.5	.....	41.4	.....	44.0	.....	45.2	51.4	52.4
1941	45.1	.....	50.3	.....	47.3	.....	48.4	54.6	57.0
1942	50.9	.....	64.8	.....	50.7	.....	52.8	56.2	63.3
1943	53.3	.....	75.0	.....	51.5	.....	52.7	57.8	64.1
1944	53.6	.....	75.5	.....	52.3	.....	52.2	59.5	64.8
1945	54.6	.....	78.5	.....	53.0	.....	52.9	60.1	65.2
1946	62.3	.....	90.9	.....	58.0	.....	61.1	64.4	70.5
1947	76.5	94.3	109.4	82.9	70.8	103.6	83.3	76.9	93.7
1948	82.8	101.5	117.5	88.7	76.9	108.1	84.2	90.5	95.9
1949	78.7	89.6	101.6	80.6	75.3	98.9	79.9	86.2	87.6
1950	81.8	93.9	106.7	83.4	78.0	102.7	86.3	87.1	88.9
1951	91.1	106.9	124.2	92.7	86.1	114.6	99.1	90.3	101.7
1952	88.6	102.7	117.2	91.6	84.1	103.4	80.1	90.1	96.5
1953	87.4	96.0	106.2	87.4	84.8	100.8	81.3	92.6	97.7
1954	87.6	95.7	104.7	88.9	85.0	98.6	77.6	91.3	98.9
1955	87.8	91.2	98.2	85.0	86.9	98.7	77.3	91.2	98.5
1956	90.7	90.6	96.9	84.9	90.8	98.7	81.9	94.0	99.1
1957	93.3	93.7	99.5	87.4	93.3	98.8	82.0	99.1	101.2
1958	94.6	98.1	103.9	91.8	93.6	97.0	82.9	95.3	102.0
1959	94.8	93.5	97.5	89.4	95.3	98.4	94.2	95.3	101.6
1960	94.9	93.7	97.2	89.5	95.3	99.5	90.8	96.1	101.8
1961	94.5	93.7	96.3	91.0	94.8	97.7	81.7	97.2	100.7
1962	94.8	94.7	98.0	91.9	94.8	98.6	92.7	96.7	99.1
1963	94.5	93.8	96.0	92.5	94.7	98.5	90.0	96.3	97.9
1964	94.7	93.2	94.6	92.3	95.2	99.2	90.3	93.7	98.3
1965	96.6	97.1	98.7	95.5	96.4	99.8	94.3	95.5	99.0
1966	99.8	103.5	105.9	101.2	98.5	100.1	103.4	97.8	99.4
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	102.5	102.4	102.5	102.2	102.5	103.7	103.2	98.9	99.8
1969	106.5	108.0	109.1	107.3	106.0	106.0	108.9	100.9	99.9
1970	110.4	111.7	111.0	112.1	110.0	107.1	110.3	106.2	102.2
1971	113.9	113.8	112.9	114.3	114.0	108.6	114.0	114.2	104.2
1972	119.1	122.4	125.0	120.8	117.9	113.6	131.3	118.6	104.2
1973	134.7	159.1	176.3	148.1	125.9	123.8	143.1	134.3	110.0
1974	160.1	177.4	187.7	170.9	153.8	139.1	145.1	208.3	146.8
1975	174.9	184.2	186.7	182.6	171.5	137.9	148.5	245.1	181.3
1974: Jan.	146.6	177.8	202.6	162.1	135.3	133.8	142.6	162.5	118.2
Feb.	149.5	180.6	205.6	164.7	138.2	135.2	143.4	177.4	120.2
Mar.	151.4	176.2	197.0	163.0	142.4	136.1	143.4	189.0	127.3
Apr.	152.7	169.6	186.2	159.1	146.6	137.5	145.4	197.9	132.3
May	155.0	167.4	180.8	158.9	150.5	139.1	146.3	204.3	137.0
June	155.7	161.7	168.6	157.4	153.6	141.7	146.0	210.5	142.8
July	161.7	172.7	180.8	167.6	157.8	142.1	146.6	221.7	148.4
Aug.	167.4	183.4	189.2	179.7	161.6	142.3	146.2	226.0	158.5
Sept.	167.2	179.1	182.7	176.8	162.9	142.1	148.1	225.0	161.7
Oct.	170.2	185.1	187.5	183.5	164.8	140.5	145.2	228.5	168.5
Nov.	171.9	189.0	187.8	189.7	165.8	139.8	144.5	227.4	172.9
Dec.	171.5	186.5	183.7	188.2	166.1	138.4	143.2	229.0	174.0
1975: Jan.	171.8	183.8	179.7	186.4	167.5	137.5	142.1	232.2	176.0
Feb.	171.3	179.5	174.6	182.6	168.4	136.5	141.7	232.3	178.1
Mar.	170.4	174.9	171.1	177.3	168.9	134.3	143.2	233.0	181.8
Apr.	172.1	178.8	177.7	179.4	169.7	134.4	147.5	236.5	182.4
May	173.2	181.2	184.5	179.0	170.3	135.2	147.7	238.8	182.1
June	173.7	182.3	186.2	179.7	170.7	135.9	148.7	243.0	181.2
July	175.7	188.2	193.7	184.6	171.2	136.8	149.3	246.6	181.4
Aug.	176.7	189.0	193.2	186.3	172.2	137.6	149.3	252.4	182.1
Sept.	177.7	190.4	197.1	186.1	173.1	138.4	151.3	254.9	182.2
Oct.	178.9	190.5	197.3	186.2	174.7	141.3	152.4	256.5	182.3
Nov.	178.2	186.1	191.7	182.6	175.4	143.2	154.4	257.0	182.9
Dec.	178.7	186.0	193.8	181.0	176.1	144.0	154.6	258.0	183.4

See next page for continuation of table and for footnotes.

TABLE B–47.—*Wholesale price indexes by major commodity groups, 1929–75*—Continued

[1967=100]

Year or month	Industrial commodities—Continued								
	Rubber and plastic products	Lumber and wood products	Pulp, paper, and allied products	Metals and metal products	Machinery and equipment	Furniture and household durables	Nonmetallic mineral products	Transportation equipment: Motor vehicles and equipment [2]	Miscellaneous products
1929	59.4	25.0	.....	40.2	.....	55.8	51.2	41.9	.....
1933	40.2	19.0	.....	30.7	.....	44.6	47.2	34.8	.....
1939	61.2	24.8	.....	37.6	41.3	52.6	49.1	39.1	.....
1940	57.1	27.4	.....	37.8	41.4	53.8	49.1	40.4	.....
1941	61.5	32.7	.....	38.5	42.1	57.2	50.2	43.2	.....
1942	71.6	35.6	.....	39.1	42.8	61.8	52.3	47.2	.....
1943	73.6	37.7	.....	39.0	42.4	61.4	52.4	47.2	.....
1944	72.7	40.6	.....	39.0	42.1	63.1	53.5	47.5	.....
1945	70.5	41.2	.....	39.6	42.2	63.2	55.7	48.3	.....
1946	70.8	47.2	.....	44.3	46.4	67.1	59.3	56.0	.....
1947	70.5	73.4	72.5	54.9	53.7	77.0	66.3	64.1	73.5
1948	72.8	84.0	75.7	62.5	58.2	81.6	71.6	70.8	76.5
1949	70.5	77.7	72.4	63.0	61.0	82.9	73.5	75.7	78.0
1950	85.9	89.3	74.3	66.3	63.1	84.7	75.4	75.3	79.2
1951	105.4	97.2	88.0	73.8	70.5	91.8	80.1	79.4	83.9
1952	95.5	94.4	85.7	73.9	70.6	90.1	80.1	84.0	83.4
1953	89.1	94.3	85.5	76.3	72.2	91.9	83.3	83.6	85.6
1954	90.4	92.6	85.5	76.9	73.4	92.9	85.1	83.8	86.4
1955	102.4	97.1	87.8	82.1	75.7	93.3	87.5	86.3	86.5
1956	103.8	98.5	93.6	89.2	81.8	95.8	91.3	91.2	87.6
1957	103.4	93.5	95.4	91.0	87.6	98.3	94.8	95.1	90.2
1958	103.3	92.4	96.4	90.4	89.4	99.1	95.8	98.1	92.0
1959	102.9	98.8	97.3	92.3	91.3	99.3	97.0	100.3	92.2
1960	103.1	95.3	98.1	92.4	92.0	99.0	97.2	98.8	93.0
1961	99.2	91.0	95.2	91.9	91.9	98.4	97.6	98.6	93.3
1962	96.3	91.6	96.3	91.2	92.0	97.7	97.6	98.6	93.7
1963	96.8	93.5	95.6	91.3	92.2	97.0	97.1	97.8	94.5
1964	95.5	95.4	95.4	93.8	92.8	97.4	97.3	98.3	95.2
1965	95.9	95.9	96.2	96.4	93.9	96.9	97.5	98.5	95.9
1966	97.8	100.2	98.8	98.8	96.8	98.0	98.4	98.6	97.7
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	103.4	113.3	101.1	102.6	103.2	102.8	103.7	102.8	102.2
1969	105.3	125.3	104.0	108.5	106.5	104.9	107.7	104.8	105.2
1970	108.3	113.6	108.2	116.6	111.4	107.5	112.9	108.7	109.9
1971	109.2	127.0	110.1	119.0	115.5	109.9	122.4	114.7	112.8
1972	109.3	144.3	113.4	123.5	117.9	111.4	126.1	118.0	114.6
1973	112.4	177.2	122.1	132.8	121.7	115.2	130.2	119.2	119.7
1974	136.2	183.6	151.7	171.9	139.4	127.9	153.2	129.2	133.1
1975	150.2	176.9	170.4	185.6	161.4	139.7	174.0	144.6	147.7
1974: Jan.	117.7	183.7	131.8	145.0	126.0	119.0	138.7	122.9	123.5
Feb.	119.8	184.1	132.9	148.0	127.0	120.2	142.1	123.1	124.6
Mar.	123.8	191.3	137.2	154.7	129.0	121.3	144.2	123.2	125.8
Apr.	129.4	200.2	144.4	161.2	130.8	122.9	146.7	123.3	128.2
May	133.7	198.0	146.6	168.7	134.1	124.5	150.7	124.9	133.2
June	135.6	192.2	147.5	174.0	137.2	126.1	152.3	126.1	134.3
July	139.5	188.6	153.3	180.3	140.3	128.2	156.4	128.5	135.2
Aug.	143.4	183.7	162.9	185.6	144.3	129.8	157.6	130.1	135.4
Sept.	145.6	180.4	164.2	187.1	146.8	132.8	159.8	130.6	136.3
Oct.	147.5	169.4	166.0	186.9	150.0	135.5	162.2	138.1	137.1
Nov.	148.5	165.8	166.9	186.7	152.7	136.9	163.4	138.9	140.7
Dec.	149.4	165.4	167.2	184.6	154.0	137.7	164.3	140.7	142.4
1975: Jan.	149.6	164.7	169.8	185.5	156.6	138.8	168.5	140.2	145.5
Feb.	150.0	169.3	169.8	186.3	157.7	139.1	170 3	141.5	146.4
Mar.	149.7	169.6	170.0	186.1	158.8	138.5	170.8	143.0	146.8
Apr.	149.4	174.9	169.7	185.7	159.7	138.5	173.0	143.0	147.3
May	148.9	183.0	169.8	185.1	160.4	138.6	173.1	142.9	147.5
June	148.6	181.0	169.8	184.5	161.0	139.0	173.3	143.1	147.5
July	150.1	179.6	170.0	183.4	161.7	139.2	174.7	143.1	147.7
Aug.	150.0	179.7	170.0	184.3	162.2	139.8	175.8	143.5	147.8
Sept.	150.8	179.9	170.3	185.5	163.1	140.1	176.1	143.9	148.2
Oct.	151.5	179.1	170.9	187.2	164.1	141.1	177.1	150.0	147.6
Nov.	151.8	178.3	171.3	187.0	165.3	141.5	177.7	150.6	148.6
Dec.	151.9	183.1	173.1	187.1	165.8	142.0	178.0	150.9	151.1

[1] Prices for most items in this grouping are lagged and refer to 1 or 2 months earlier than the index month.
[2] Index for total transportation equipment is not shown but is available beginning December 1968.

Source: Department of Labor, Bureau of Labor Statistics.

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TABLE B–48.—*Wholesale price indexes by stage of processing and by special groupings, 1947–75*

[1967=100]

Year or month	All commodities	Crude materials for further processing				Intermediate materials, supplies, and components [1]						
							Materials and components for manufacturing					Materials and components for construction
		Total	Foodstuffs and feedstuffs	Nonfood materials except fuel	Fuel	Total	Total	Materials: For food manufacturing	Materials: For nondurable manufacturing	Materials: For durable manufacturing	Components	
1947	76.5	101.2	111.7	90.6	66.6	72.4	72.1	94.0	95.2	54.4	58.3	66.0
1948	82.8	110.9	120.8	100.7	78.7	78.3	77.8	96.9	100.8	61.4	63.0	73.1
1949	78.7	96.0	100.3	91.6	78.3	75.2	74.5	83.3	91.9	63.1	64.2	73.2
1950	81.8	104.6	107.6	104.7	77.9	78.6	78.1	86.7	96.5	66.7	66.6	77.0
1951	91.1	120.1	124.5	120.7	79.4	88.1	88.5	96.6	111.7	74.1	75.6	84.3
1952	88.6	110.3	117.2	104.6	79.9	85.5	84.8	92.9	100.6	74.3	75.7	83.7
1953	87.4	101.9	104.9	100.1	82.7	86.0	86.2	93.0	99.8	77.6	77.1	85.1
1954	87.6	101.0	104.9	98.2	79.0	86.5	86.3	92.2	98.2	79.3	77.5	85.5
1955	87.8	97.1	95.1	103.8	78.8	88.1	88.4	89.3	98.6	83.3	80.9	88.9
1956	90.7	97.6	93.1	107.6	84.4	92.0	92.6	89.7	100.1	88.5	88.3	93.5
1957	93.3	99.8	97.2	106.2	89.2	94.1	94.8	91.3	101.4	91.4	91.8	94.0
1958	94.6	102.0	103.0	102.2	90.3	94.3	95.2	93.4	100.4	92.0	92.5	94.0
1959	94.8	99.4	96.2	105.8	91.9	95.6	96.5	90.0	102.1	94.2	93.6	96.6
1960	94.9	97.0	95.1	101.4	92.8	95.6	96.5	91.1	102.1	94.3	93.1	95.9
1961	94.5	96.5	93.8	102.5	92.6	95.0	95.3	94.0	99.9	93.0	92.2	94.6
1962	94.8	97.5	95.7	102.0	92.1	94.9	94.7	92.0	99.3	92.9	91.5	94.2
1963	94.5	95.4	92.9	100.7	93.2	95.2	94.9	96.6	98.4	93.0	91.5	94.5
1964	94.7	94.5	90.8	102.4	92.8	95.5	95.9	95.2	99.1	94.8	92.3	95.4
1965	96.6	99.3	97.1	104.5	93.5	96.8	97.4	97.6	100.0	96.8	93.8	96.2
1966	99.8	105.7	105.9	106.7	96.3	99.2	99.3	101.9	100.8	98.6	97.1	98.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	102.5	101.6	101.3	102.1	102.3	102.3	102.2	101.5	101.3	103.3	102.3	104.9
1969	106.5	108.3	109.1	106.8	106.4	105.9	105.8	107.0	102.5	109.3	105.6	110.9
1970	110.4	112.2	112.1	109.8	122.3	109.8	110.0	112.9	104.0	115.1	111.1	112.6
1971	113.9	115.0	114.2	110.5	138.5	114.0	113.0	116.2	105.6	118.8	114.7	119.5
1972	119.1	127.6	127.5	121.9	148.7	118.7	117.0	119.9	109.4	123.8	117.6	126.2
1973	134.7	174.0	180.0	161.5	164.5	131.6	127.7	146.0	121.2	133.7	121.4	136.7
1974	160.1	196.1	189.4	205.4	219.4	162.9	162.2	209.2	155.2	171.7	139.9	161.6
1975	174.9	196.9	191.8	188.3	271.5	180.0	178.7	209.4	174.7	188.4	158.3	176.4
1974: Jan	146.6	201.3	203.2	201.4	182.4	142.0	138.9	173.5	132.6	144.7	126.1	145.0
Feb	149.5	205.6	207.2	206.8	186.3	144.6	141.6	184.0	135.0	146.5	127.2	147.0
Mar	151.4	200.6	197.6	210.4	190.3	149.1	146.8	186.4	140.8	154.0	129.4	151.1
Apr	152.7	192.9	182.6	214.1	205.4	152.8	150.9	180.4	146.4	161.1	131.1	156.0
May	155.0	186.5	176.9	203.7	207.4	157.6	156.6	187.0	150.2	169.6	135.2	160.7
June	155.7	178.5	164.6	202.3	213.6	160.9	160.7	191.5	154.1	174.7	138.2	163.0
July	161.7	194.5	184.9	210.0	222.0	166.3	166.7	205.9	159.8	180.2	141.6	166.6
Aug	167.4	203.5	196.5	213.1	228.4	174.0	172.7	221.2	166.0	184.9	145.6	169.3
Sept	167.2	196.8	187.4	208.1	236.8	173.8	174.1	222.6	166.6	186.5	148.0	170.9
Oct	170.2	200.3	192.9	205.4	244.3	176.8	176.6	234.5	169.5	185.9	150.2	169.7
Nov	171.9	198.2	190.9	200.7	251.9	178.6	180.7	265.8	171.1	186.2	152.6	169.7
Dec	171.5	193.9	187.8	188.8	263.7	178.4	179.8	257.3	170.7	185.5	153.6	170.1
1975: Jan	171.8	189.3	182.4	184.1	266.7	179.1	180.1	245.1	172.2	187.1	155.4	171.9
Feb	171.3	185.8	177.1	184.7	265.2	178.8	179.7	236.4	172.4	186.9	157.3	173.7
Mar	170.4	182.4	172.9	184.4	256.6	178.1	178.0	220.0	171.9	186.9	157.2	173.9
Apr	172.1	189.4	181.7	186.2	266.3	179.0	177.9	213.7	172.7	187.6	157.3	175.2
May	173.2	196.7	190.9	188.1	276.4	178.4	177.0	200.6	173.5	187.7	157.4	177.0
June	173.7	197.1	192.1	187.6	274.1	178.4	176.3	194.1	173.3	187.3	157.9	177.0
July	175.7	203.0	202.1	183.8	278.0	179.3	177.4	204.0	174.0	187.1	158.1	176.9
Aug	176.7	204.1	201.9	189.6	273.2	180.9	178.8	210.7	175.2	187.6	158.6	177.2
Sept	177.7	207.5	204.9	194.2	275.6	181.0	178.6	204.1	175.9	188.1	159.0	177.6
Oct	178.9	206.8	204.6	192.7	274.8	182.2	180.0	200.0	177.4	191.4	159.6	178.4
Nov	178.2	199.8	195.4	190.6	270.0	182.3	180.1	195.3	178.7	191.2	160.5	178.5
Dec	178.7	201.3	195.1	193.8	281.3	182.6	179.9	189.2	179.5	191.4	160.7	179.8

See next page for continuation of table and for footnotes.

TABLE B–48.—*Wholesale price indexes by stage of processing and by special groupings, 1947–75*—Continued

[1967=100]

Year or month	Finished goods						Special groupings				
		Consumer finished goods								Manufactured goods	
	Total	Total	Foods	Other nondurable goods	Durable goods	Producer finished goods	Crude materials [2]	Intermediate materials, supplies, and components [3]	Consumer finished goods excluding foods	Total	Durable
1947	74.0	80.5	82.8	80.7	74.6	55.4	79.2	70.0	79.0	72.3	59.4
1948	79.9	86.5	90.4	85.8	79.7	69.4	92.5	76.1	84.0	78.2	65.4
1949	77.6	82.5	83.1	82.3	81.8	63.4	84.0	74.2	82.2	75.5	67.3
1950	79.0	83.9	84.7	83.6	82.7	64.9	93.6	77.7	83.5	78.4	69.6
1951	86.5	91.8	95.2	90.0	88.2	71.2	102.9	87.0	89.5	87.0	76.3
1952	86.0	90.7	94.3	87.8	88.9	72.4	93.1	84.3	88.3	85.1	76.7
1953	85.1	89.2	89.4	88.6	89.6	73.6	92.4	85.3	89.1	85.0	78.4
1954	85.3	89.1	88.7	88.9	90.3	74.5	88.0	85.7	89.4	85.7	79.4
1955	85.5	88.5	86.5	89.4	91.2	76.7	96.6	88.3	90.1	86.6	82.2
1956	87.9	89.8	86.3	91.1	94.3	82.4	102.3	92.6	92.3	90.0	87.5
1957	91.1	92.4	89.3	93.2	97.1	87.5	100.9	95.0	94.6	92.8	90.9
1958	93.2	94.4	94.5	92.6	98.4	89.8	96.9	94.8	94.7	93.8	92.2
1959	93.0	93.6	90.1	94.0	99.6	91.5	102.3	96.4	95.9	94.6	94.0
1960	93.7	94.5	92.1	94.7	99.2	91.7	98.3	96.8	96.3	94.8	94.1
1961	93.7	94.3	91.7	94.7	98.8	91.8	97.2	95.5	96.2	94.4	93.6
1962	94.0	94.6	92.5	94.8	98.3	92.2	95.6	95.3	96.0	94.5	93.5
1963	93.7	94.1	91.4	95.1	97.8	92.4	94.3	95.0	96.0	94.3	93.5
1964	94.1	94.3	91.9	94.8	98.2	93.3	97.1	95.6	95.9	94.8	94.6
1965	95.7	96.1	95.4	95.9	97.9	94.4	100.9	96.9	96.6	96.3	95.8
1966	98.8	99.4	101.6	97.8	98.5	96.8	104.5	98.9	98.1	99.1	97.9
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	102.9	102.7	103.7	102.2	102.2	103.5	102.0	102.6	102.1	102.6	103.5
1969	106.6	106.5	110.0	105.0	104.0	106.9	110.6	106.1	104.6	106.3	107.7
1970	110.4	109.9	113.5	108.3	107.0	111.9	118.8	110.0	107.7	110.2	112.0
1971	113.5	112.7	115.2	111.3	110.9	116.6	122.7	114.3	111.2	113.8	117.0
1972	117.2	116.6	121.7	113.6	113.2	119.5	131.1	118.9	113.5	117.9	121.1
1973	127.9	129.2	146.4	120.5	115.8	123.5	155.2	128.1	118.6	129.2	127.4
1974	147.5	149.3	166.9	146.8	126.3	141.0	219.1	159.5	138.6	154.1	148.6
1975	163.4	163.6	181.0	163.0	138.2	162.5	225.1	178.6	153.1	171.1	165.6
1974: Jan	137.4	139.9	162.7	130.2	119.6	128.3	188.2	137.9	125.6	138.6	133.8
Feb	140.1	143.2	167.0	134.0	120.2	129.3	202.7	140.6	128.4	140.9	135.0
Mar	141.0	143.8	164.6	137.8	120.9	130.9	212.2	145.8	131.0	143.6	137.9
Apr	142.1	144.7	163.1	141.2	122.0	132.4	224.8	150.8	133.5	146.0	141.1
May	143.8	146.0	162.4	144.3	123.7	135.9	216.5	156.1	136.0	149.3	145.6
June	144.0	145.4	157.0	147.7	125.0	138.7	217.5	159.6	138.6	151.5	148.4
July	148.1	149.9	164.6	150.6	126.8	141.5	228.9	164.5	141.1	156.4	151.7
Aug	150.6	152.1	167.7	153.0	127.3	145.2	229.5	169.6	142.7	161.8	154.8
Sept	151.1	153.2	168.7	154.2	128.4	148.0	229.8	170.6	143.9	162.4	156.6
Oct	155.2	156.0	171.4	155.7	133.1	151.9	229.0	172.1	146.7	165.2	158.6
Nov	157.7	158.6	177.4	156.2	133.8	154.1	228.7	173.0	147.2	166.2	159.6
Dec	158.0	158.7	175.9	156.9	135.3	155.3	221.2	173.2	148.3	156.9	160.3
1975: Jan	159.3	159.8	177.0	158.2	135.9	157.4	219.4	175.0	149.4	168.2	162.0
Feb	159.3	159.4	175.5	158.8	136.3	158.3	221.0	175.9	149.8	168.0	163.2
Mar	158.9	158.5	172.6	158.9	136.9	159.7	218.4	176.4	150.2	167.8	163.7
Apr	160.0	159.7	174.9	159.5	137.0	160.7	222.7	177.3	150.6	168.7	164.4
May	161.2	161.1	177.7	160.4	137.0	161.2	225.8	177.7	151.1	169.5	164.9
June	162.5	162.6	180.3	161.6	137.3	161.7	226.3	177.8	152.0	170.1	165.1
July	164.5	165.0	184.8	163.2	137.4	162.4	223.4	178.3	152.9	171.4	165.2
Aug	164.9	165.3	183.9	165.1	137.4	163.0	225.8	179.3	154.1	172.3	165.7
Sept	166.2	166.7	186.5	166.1	137.7	164.0	231.5	179.9	154.8	173.0	166.2
Oct	168.0	168.3	187.3	167.2	141.1	166.5	228.6	181.4	156.8	174.5	168.2
Nov	168.0	168.1	185.5	168.0	141.8	167.4	226.5	182.0	157.6	174.4	168.8
Dec	168.5	168.5	185.6	168.9	142.2	168.0	231.2	182.6	158.3	174.7	169.4

[1] Includes, in addition to subgroups shown, processed fuels and lubricants, containers, and supplies.
[2] Excludes crude foodstuffs and feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco.
[3] Excludes intermediate materials for food manufacturing and manufactured animal feeds.

Note.—For a listing of the commodities included in each sector, see monthly report, "Wholesale Prices and Price Indexes," January–February 1967.

Source: Department of Labor, Bureau of Labor Statistics.

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TABLE B-49.—*Wholesale price indexes for selected groupings, seasonally adjusted, 1972–75*

[1967=100, seasonally adjusted]

Year and month	Farm products and processed foods and feeds			Special groupings								
							Consumer finished goods				Manufactured goods	
	Total	Farm products	Processed foods and feeds	Crude materials [1]	Intermediate materials, supplies, and components [2]	Producer finished goods	Total	Foods	Other nondurable goods	Durable goods	Total	Durable goods
1972: Jan.	116.9	117.2	116.7	125.7	116.8	118.2	114.5	117.9	112.1	112.5	115.9	119.4
Feb.	118.2	118.4	117.7	125.9	117.1	118.7	115.1	119.9	112.1	112.7	116.4	120.0
Mar.	117.9	117.7	117.9	128.5	117.5	118.9	114.7	118.3	112.4	113.0	116.5	120.0
Apr.	119.3	119.8	118.9	127.8	117.8	119.3	114.9	118.4	112.7	113.1	116.9	120.3
May	120.4	121.7	119.1	129.0	118.0	119.4	115.5	119.7	112.9	113.0	117.2	120.6
June	119.7	121.2	118.8	129.4	118.5	119.6	115.9	120.2	113.2	113.3	117.6	121.1
July	122.9	126.6	120.4	130.6	119.0	119.8	116.8	122.3	113.5	113.5	117.8	121.4
Aug.	123.1	127.7	120.2	132.7	119.4	119.9	117.3	123.0	114.0	113.9	118.4	121.7
Sept.	124.6	129.6	121.8	133.1	119.7	120.0	117.7	123.4	114.5	114.7	118.7	122.0
Oct.	125.4	129.1	122.9	135.0	120.3	119.8	117.8	123.9	114.9	112.8	119.2	121.9
Nov.	128.1	132.5	125.2	137.3	120.9	120.0	118.7	125.6	115.5	112.8	119.7	122.3
Dec.	133.3	139.3	129.7	138.0	121.3	120.2	119.5	127.9	115.7	113.4	121.3	122.7
1973: Jan.	136.3	143.3	131.7	139.2	121.7	120.4	121.0	130.9	115.5	113.3	121.8	122.8
Feb.	140.4	147.5	135.5	140.9	122.6	121.1	122.3	133.2	117.4	113.5	123.5	123.6
Mar.	147.2	158.1	140.4	141.9	124.8	121.7	125.2	138.7	118.1	114.4	125.4	125.1
Apr.	149.2	161.7	141.5	145.1	126.0	122.3	126.4	141.0	118.7	115.2	126.4	126.2
May	155.5	170.2	145.9	148.6	127.1	123.1	127.2	142.3	119.3	115.6	128.0	127.3
June	161.5	178.4	150.7	152.2	128.0	123.4	128.5	144.7	119.7	115.9	129.8	127.5
July	156.0	172.1	145.5	153.8	128.1	123.6	128.5	144.5	120.1	116.1	128.6	127.3
Aug.	182.9	211.8	164.9	156.5	129.0	123.9	133.9	158.3	120.7	116.5	133.1	127.9
Sept.	173.5	201.8	156.3	161.8	130.0	124.3	133.2	155.6	121.2	116.9	131.5	128.3
Oct.	169.7	193.6	154.5	166.4	131.3	125.2	133.8	155.5	122.8	117.1	132.4	129.3
Nov.	168.6	189.9	154.8	175.4	133.2	125.8	134.9	155.9	124.9	117.0	133.5	130.8
Dec.	168.8	189.9	155.7	181.4	135.9	126.7	135.8	156.6	127.2	117.5	135.8	132.4
1974: Jan.	176.6	200.6	161.1	188.4	138.7	128.2	139.6	161.4	130.5	119.0	139.0	134.2
Feb.	177.6	200.4	162.6	200.7	140.7	129.2	142.5	165.7	134.1	119.7	140.9	135.0
Mar.	173.9	193.5	161.5	211.6	145.8	130.9	143.1	162.6	137.8	120.9	143.3	137.6
Apr.	171.7	187.9	161.4	222.1	150.3	132.4	144.7	163.3	141.1	121.9	146.1	140.5
May	168.2	180.8	160.0	215.0	155.0	135.9	146.1	162.9	144.0	123.6	148.9	145.2
June	159.3	164.5	156.0	216.6	158.6	138.7	145.3	156.7	147.1	125.0	151.2	148.1
July	172.4	180.8	166.9	228.9	163.8	141.5	149.6	164.3	150.0	126.8	155.6	151.2
Aug.	180.9	186.8	177.9	230.2	169.1	145.1	151.6	167.2	152.5	127.6	161.3	154.3
Sept.	179.3	184.4	177.0	231.0	170.3	148.0	153.2	168.5	154.2	129.6	161.9	156.6
Oct.	188.3	193.1	185.0	231.5	172.4	152.1	156.9	173.3	156.0	133.5	165.9	158.9
Nov.	194.4	194.0	193.8	230.1	174.0	154.4	160.2	180.5	156.8	133.9	167.0	160.4
Dec.	187.2	186.1	188.2	223.7	174.8	155.3	158.9	176.6	157.8	134.9	167.7	161.3
1975: Jan.	182.5	177.9	185.3	219.6	176.1	157.2	159.5	175.6	158.5	135.2	168.7	162.5
Feb.	176.5	170.2	180.3	218.8	176.1	158.1	158.6	174.1	159.0	135.8	168.0	163.2
Mar.	172.7	168.1	175.7	217.7	176.4	159.7	157.7	170.6	158.9	136.9	167.5	163.4
Apr.	181.0	179.3	181.9	220.1	176.8	160.7	159.7	175.1	159.3	136.9	168.9	163.7
May	182.1	184.5	180.3	224.2	176.5	161.2	161.3	178.2	160.1	136.9	169.0	164.4
June	179.6	181.7	178.1	225.4	176.7	161.7	162.4	179.9	161.0	137.3	169.8	164.8
July	187.8	193.7	183.9	223.4	177.6	162.4	164.7	184.4	162.5	137.4	170.5	164.7
Aug.	186.4	190.7	184.5	226.5	178.8	162.8	164.8	183.3	164.6	137.7	171.8	165.2
Sept.	190.6	198.9	186.3	232.7	179.5	164.0	166.7	186.3	166.1	139.0	172.5	166.2
Oct.	193.8	203.2	187.7	231.1	181.8	166.7	169.3	189.4	167.5	141.5	175.2	168.5
Nov.	191.5	198.0	186.5	227.9	183.1	167.7	169.8	188.7	168.7	141.9	175.3	169.6
Dec.	186.7	196.4	181.0	233.8	184.3	168.0	168.7	186.3	169.9	141.8	175.6	170.4

[1] Excludes crude foodstuffs and feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco.
[2] Excludes intermediate materials for food manufacturing and manufactured animal feeds.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–50.—*Percent changes in wholesale price indexes, major groups, 1948–75*

[Percent change]

Year or month	All commodities		Industrial commodities		Farm products and processed foods and feeds		Consumer finished goods					
							Total		Foods		All except foods	
	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year
1948	1.5	8.2	5.0	8.6	−6.8	7.6	1.2	7.5	−2.4	9.2	4.0	6.3
1949	−6.1	−5.0	−5.0	−2.1	−8.9	−11.7	−5.6	−4.6	−7.4	−8.1	−4.5	−2.1
1950	14.7	3.9	14.0	3.6	17.0	4.8	10.2	1.7	13.3	1.9	8.2	1.6
1951	1.2	11.4	.4	10.4	3.5	13.8	2.7	9.4	5.3	12.4	.9	7.2
1952	−3.4	−2.7	−1.4	−2.3	−8.2	−3.9	−3.1	−1.2	−5.9	−.9	−1.1	−1.3
1953	.5	−1.4	1.4	.8	−2.3	−6.5	−.1	−1.7	−2.2	−5.2	1.6	.9
1954	−.6	.2	.2	.2	−2.6	−.3	−.6	−.1	−1.9	−.8	.3	.3
1955	1.6	.2	4.3	2.2	−6.4	−4.7	−.1	−.7	−2.9	−2.5	1.7	.8
1956	4.5	3.3	4.2	4.5	6.0	−.7	3.1	1.5	3.6	−.2	2.5	2.4
1957	2.0	2.9	1.1	2.8	4.2	3.4	3.0	2.9	5.3	3.5	1.7	2.5
1958	.5	1.4	.9	.3	−.2	4.7	.2	2.2	.4	5.8	.2	.1
1959	−.3	.2	1.2	1.8	−4.4	−4.7	−.7	−.8	−3.7	−4.7	.8	1.3
1960	.5	.1	−.6	0	3.9	.2	2.1	1.0	5.2	2.2	.4	.4
1961	−.2	−.4	−.1	−.5	−.6	0	−.8	−.2	−1.8	−.4	−.3	−.1
1962	0	.3	−.2	0	.6	1.1	.1	.3	.5	.9	−.1	−.2
1963	−.1	−.3	.5	−.1	−2.1	−1.0	−.4	−.5	−1.3	−1.2	.1	0
1964	.4	.2	.6	.5	0	−.6	.2	.2	.4	.5	.1	−.1
1965	3.4	2.0	1.4	1.3	9.5	4.2	4.0	1.9	9.1	3.8	.9	.7
1966	1.7	3.3	2.2	2.2	.2	6.6	1.6	3.4	1.4	6.5	1.7	1.6
1967	1.0	.2	1.9	1.5	−1.8	−3.4	1.2	.6	−.4	−1.6	2.1	1.9
1968	2.8	2.5	2.7	2.5	3.5	2.4	3.1	2.7	4.8	3.7	2.0	2.1
1969	4.8	3.9	3.9	3.4	7.5	5.5	4.9	3.7	8.2	6.1	2.9	2.4
1970	2.2	3.7	3.6	3.8	−1.4	3.4	1.4	3.2	−.5	3.2	3.9	3.0
1971	4.0	3.2	3.2	3.6	6.0	1.9	3.3	2.5	5.9	1.5	1.8	3.2
1972	6.5	4.6	3.6	3.4	14.4	7.6	4.5	3.5	8.0	5.6	2.2	2.1
1973	15.4	13.1	10.7	6.8	26.7	30.0	13.6	16.8	22.5	20.3	7.4	4.5
1974	20.9	18.9	25.6	22.2	11.0	11.5	17.1	15.6	13.0	14.0	20.5	16.9
1975	4.2	9.2	6.0	11.5	−.3	3.8	6.2	9.6	5.5	8.4	6.7	10.5

	Change from preceding month											
	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted
1974: Jan.	3.4	2.9	2.3	2.0	5.8	4.6	3.2	2.8	4.5	3.1	2.0	1.9
Feb.	2.0	1.4	2.1	2.0	1.6	.6	2.4	2.1	2.6	2.7	2.2	2.1
Mar.	1.3	1.3	3.0	2.8	−2.4	−2.1	.4	.4	−1.4	−1.9	2.0	2.0
Apr.	.9	1.4	2.9	2.6	−3.7	−1.3	.6	1.1	−.9	.4	1.9	1.8
May	1.5	1.2	2.7	2.5	−1.3	−2.0	.9	1.0	−.4	−.2	1.9	1.9
June	.5	.0	2.1	2.2	−3.4	−5.3	−.4	−.5	−3.3	−3.8	1.9	1.8
July	3.9	3.9	2.7	2.9	6.8	8.2	3.1	3.0	4.8	4.9	1.8	1.8
Aug.	3.5	3.7	2.4	2.5	6.2	4.9	1.5	1.3	1.9	1.8	1.1	1.4
Sept.	−.1	−.0	.8	1.0	−2.3	−.9	.7	1.1	.6	.8	.8	1.3
Oct.	1.8	2.9	1.2	1.5	3.4	5.0	1.8	2.4	1.6	2.8	1.9	1.8
Nov.	1.0	1.4	.6	.8	2.1	3.2	1.7	2.1	3.5	4.2	.3	.3
Dec.	−.2	−.9	.2	.4	−1.3	−3.7	.1	−.8	−.8	−2.2	.7	.7
1975: Jan.	.2	−.2	.8	.5	−1.4	−2.5	.7	.4	.6	−.6	.7	.6
Feb.	−.3	−.8	.5	.4	−2.3	−3.3	−.3	−.6	−.8	−.9	.3	.1
Mar.	−.5	−.5	.3	.1	−2.6	−2.2	−.6	−.6	−1.7	−2.0	.3	.2
Apr.	1.0	1.5	.5	.1	2.2	4.8	.8	1.3	1.3	2.6	.3	.2
May	.6	.4	.4	.2	1.3	.6	.9	1.0	1.6	1.8	.3	.3
June	.3	−.1	.2	.4	.6	−1.4	.9	.7	1.5	1.0	.6	.5
July	1.2	1.2	.3	.4	3.2	4.6	1.5	1.4	2.5	2.5	.6	.6
Aug.	.6	.8	.6	.6	.4	−.7	.2	.1	−.5	−.6	.8	1.0
Sept.	.6	.6	.5	.7	.7	2.3	.8	1.2	1.4	1.6	.5	1.0
Oct.	.7	1.8	.9	1.2	.1	1.7	1.0	1.6	.4	1.7	1.3	1.2
Nov.	−.4	.0	.4	.6	−2.3	−1.2	−.1	.3	−1.0	−.4	.5	.5
Dec.	.3	−.4	.4	.6	−.1	−2.5	.2	−.6	.1	−1.3	.4	.3

[1] Changes from December to December are based on unadjusted indexes.

Note.—The seasonally adjusted changes for all commodities and industrial commodities are based on seasonal adjustment factors and seasonally adjusted indexes to two decimal places.

Source: Department of Labor, Bureau of Labor Statistics.

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TABLE B–51.—*Money stock measures, 1947–75*

[Averages of daily figures; billions of dollars, seasonally adjusted]

Year and month	Overall measures			Components and related items						
					Deposits at commercial banks					
						Time and savings [2]				
	M_1 (Currency plus demand deposits)	M_2 (M_1 plus time deposits at commercial banks other than large CD's)	M_3 (M_2 plus deposits at nonbank thrift institutions)	Currency [1]	Demand [2]	Total	Large CD's [4]	Other	Deposits at nonbank thrift institutions [5]	U.S. Government demand deposits (unadjusted) [6]
1947: Dec	113.1			26.4	86.7	35.4				1.0
1948: Dec	111.5			25.8	85.8	36.0				1.8
1949: Dec	111.2			25.1	86.0	36.4				2.8
1950: Dec	116.2			25.0	91.2	36.7				2.4
1951: Dec	122.7			26.1	96.5	38.2				2.7
1952: Dec	127.4			27.3	100.1	41.1				4.9
1953: Dec	128.8			27.7	101.1	44.5				3.8
1954: Dec	132.3			27.4	104.9	48.3				5.0
1955: Dec	135.2			27.8	107.4	50.0				3.4
1956: Dec	136.9			28.2	108.7	51.9				3.4
1957: Dec	135.9			28.3	107.6	57.4				3.5
1958: Dec	141.1			28.6	112.6	65.4				3.9
1959: Dec	143.4	210.9	303.8	28.9	114.5	67.4		67.4	92.9	4.9
1960: Dec	144.2	217.1	319.3	29.0	115.2	72.9		72.9	102.3	4.7
1961: Dec	148.7	228.6	342.1	29.6	119.1	82.7	2.8	79.9	113.4	4.9
1962: Dec	150.9	242.9	369.2	30.6	120.3	97.6	5.7	92.0	126.4	5.6
1963: Dec	156.5	258.9	400.3	32.5	124.1	112.0	9.6	102.3	141.4	5.1
1964: Dec	163.7	277.1	434.4	34.3	129.5	126.2	12.8	113.4	157.3	5.5
1965: Dec	171.3	301.3	471.2	36.3	134.9	146.3	16.2	130.1	169.8	4.6
1966: Dec	175.4	317.8	495.1	38.3	137.0	157.9	15.4	142.5	177.3	3.4
1967: Dec	186.9	349.6	543.7	40.4	146.5	183.1	20.5	162.7	194.2	5.0
1968: Dec	201.7	382.3	589.0	43.4	158.2	204.1	23.5	180.6	206.7	5.0
1969: Dec	208.7	392.2	607.2	46.1	162.7	194.5	11.0	183.5	215.0	5.6
1970: Dec	221.4	425.3	657.0	49.1	172.3	229.3	25.4	203.9	231.7	7.3
1971: Dec	235.3	473.0	746.2	52.6	182.7	271.2	33.5	237.7	273.1	6.9
1972: Dec	255.8	525.7	844.9	56.9	198.9	313.8	43.9	269.9	319.1	7.4
1973: Dec	271.5	572.2	919.6	61.6	209.9	364.5	63.8	300.7	347.4	6.3
1974: Dec	284.4	613.5	981.7	67.9	216.5	419.3	90.3	329.1	368.2	4.9
1975: Dec [p]	296.4	667.5	1,093.9	73.8	222.6	454.5	83.3	371.2	426.4	4.1
1974: Jan	270.9	575.5	925.1	62.0	208.9	371.0	66.4	304.6	349.6	8.1
Feb	273.1	580.8	932.4	62.7	210.4	375.9	68.2	307.7	351.5	6.6
Mar	275.2	585.5	939.8	63.3	211.9	378.3	68.0	310.3	354.4	6.4
Apr	276.6	589.4	945.7	63.9	212.8	386.7	73.9	312.7	356.3	6.0
May	277.6	591.6	948.6	64.3	213.3	392.5	78.5	314.0	357.0	7.6
June	280.0	597.1	955.8	64.6	215.4	398.4	81.3	317.1	358.7	6.1
July	280.4	599.6	959.6	64.8	215.6	402.8	83.6	319.2	360.0	5.4
Aug	280.5	601.9	962.6	65.5	215.0	405.2	83.8	321.5	360.7	4.0
Sept	280.7	603.4	965.0	65.9	214.8	407.5	84.8	322.7	361.7	5.5
Oct	281.6	607.6	970.7	66.5	215.2	412.1	86.2	325.9	363.2	3.7
Nov	283.6	611.6	976.9	67.4	216.2	413.5	85.5	328.0	365.3	3.4
Dec	284.4	613.5	981.7	67.9	216.5	419.3	90.3	329.1	368.2	4.9
1975: Jan	281.6	614.8	986.3	68.2	213.4	426.0	92.7	333.2	371.5	4.0
Feb	282.4	619.1	994.4	68.7	213.7	428.8	92.1	336.7	375.3	3.3
Mar	285.0	625.1	1,005.9	69.4	215.6	429.9	89.8	340.1	380.8	3.8
Apr	285.8	628.9	1,015.7	69.5	216.3	431.5	88.4	343.1	386.8	4.0
May	288.5	635.9	1,028.3	70.2	218.3	432.9	85.5	347.4	392.4	4.1
June	293.0	646.1	1,045.3	71.1	221.9	437.1	84.1	353.1	399.2	4.1
July	293.5	650.5	1,055.9	71.4	222.1	439.1	82.1	357.0	405.4	3.3
Aug	294.2	653.7	1,064.2	71.9	222.3	437.4	78.0	359.4	410.5	2.6
Sept	294.7	656.3	1,071.1	72.0	222.7	440.7	79.1	361.7	414.8	3.8
Oct	294.1	658.6	1,077.7	72.5	221.5	445.8	81.3	364.6	419.0	3.3
Nov	297.1	665.7	1,088.8	73.4	223.7	450.0	81.4	368.6	423.1	3.5
Dec [p]	296.4	667.5	1,093.9	73.8	222.6	454.5	83.3	371.2	426.4	4.1

[1] Currency outside the Treasury, the Federal Reserve Banks, and the vaults of all commercial banks.

[2] Demand deposits other than those due to domestic commercial banks and the U.S. Government, less cash items in process of collection and Federal Reserve float, plus foreign demand balances at Federal Reserve Banks.

[3] Time and savings deposits other than those due to domestic commercial banks and the U.S. Government. Effective June 1966, excludes balances accumulated for payment of personal loans (about $1.1 billion).

[4] Negotiable time certificates of deposit issued in denominations of $100,000 or more by large weekly reporting commercial banks.

[5] Average of the beginning- and end-of-month deposits of mutual savings banks, savings capital at savings and loan associations, and credit union shares.

[6] Deposits at all commercial banks.

Source: Board of Governors of the Federal Reserve System.

TABLE B-52.—*Commercial bank loans and investments, 1930–75*

[Billions of dollars]

End of year or month [1]	Total loans and investments [2]	Loans		Investments		Loans plus loans sold to bank affiliates [2]
		Total [3]	Commercial and industrial	U.S. Government securities	Other securities	
1930: June	48.9	34.5		5.0	9.4	
1933: June	30.4	16.3		7.5	6.5	
1939	40.7	17.2		16.3	7.1	
1940	43.9	18.8		17.8	7.4	
1941	50.7	21.7		21.8	7.2	
1942	67.4	19.2		41.4	6.8	
1943	85.1	19.1		59.8	6.1	
1944	105.5	21.6		77.6	6.3	
1945	124.0	26.1		90.6	7.3	
1946	114.0	31.1		74.8	8.1	
1947	116.3	38.1		69.2	9.0	
1948	114.2	42.4		62.6	9.2	
	Seasonally adjusted					
1948	113.0	41.5		62.3	9.2	
1949	118.7	42.0		66.4	10.3	
1950	124.7	51.1		61.1	12.4	
1951	130.2	56.5		60.4	13.4	
1952	139.1	62.8		62.2	14.2	
1953	143.1	66.2		62.2	14.7	
1954	153.1	69.1		67.6	16.4	
1955	157.6	80.6		60.3	16.8	
1956	161.6	88.1		57.2	16.3	
1957	166.4	91.5		56.9	17.9	
1958	181.2	95.6		65.1	20.5	
1959 [3]	188.7	110.5	39.4	57.7	20.5	
1960	197.4	116.7	42.1	59.9	20.8	
1961	212.8	123.6	43.9	65.3	23.9	
1962	231.2	137.3	47.6	64.7	29.2	
1963	250.2	153.7	52.1	61.5	35.0	
1964	272.4	172.9	58.4	60.8	38.7	
1965	300.1	198.2	69.5	57.1	44.8	
1966	[4] 316.1	[4] 213.9	78.6	53.5	[6] 48.7	
1967	352.0	231.3	86.2	59.4	61.3	
1968	390.2	258.2	95.9	60.7	71.3	
1969 [5]	401.7	279.1	105.7	51.5	71.1	283.0
1970	435.5	291.7	110.0	57.9	85.9	294.7
1971	484.8	[6] 320.3	115.9	60.1	[6] 104.4	[6] 323.1
1972	556.4	377.8	[7] 129.7	61.9	116.7	380.4
1973	630.3	447.3	155.8	52.8	130.2	451.6
1974	[8] 687.1	[8] 498.2	[8] 182.6	48.8	[6] 140.1	[8] [9] 503.0
1975 p	717.2	494.7	177.7	77.9	144.6	499.1
1975: Jan	690.0	501.3	184.1	48.7	140.0	505.9
Feb	692.6	498.9	182.5	53.2	140.5	503.4
Mar	697.0	498.3	180.9	58.5	140.2	503.0
Apr	699.1	495.0	180.5	64.0	140.1	499.6
May	702.0	492.8	179.1	68.2	141.0	497.5
June	705.0	489.9	176.3	72.4	142.7	494.6
July p	706.4	489.6	177.6	73.4	143.4	494.1
Aug p	710.4	490.7	177.5	75.6	144.1	495.2
Sept p	711.6	490.4	176.4	77.1	144.1	494.9
Oct p	715.0	494.1	177.9	75.1	145.8	498.8
Nov p	721.3	498.0	178.9	76.3	147.0	502.7
Dec p	717.2	494.7	177.7	77.9	144.6	499.1

[1] Data are for last Wednesday of month or year (except June 30 and December 31 call dates).

[2] Adjusted to exclude all interbank loans beginning 1948 and domestic bank loans only beginning January 1959.

[3] Beginning January 1959, loans and investments are reported gross, without valuation reserves deducted, rather than net of valuation reserves, as in earlier periods.

[4] Effective June 1966, balances accumulated for payment of personal loans (about $1.1 billion) are excluded from loans at all commercial banks, and certain certificates of CCC and Export-Import Bank totaling about $1 billion are included in other securities rather than in loans.

[5] Beginning June 1969, data include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries; earlier data include commercial banks only.

[6] Beginning June 1971, Farmers Home Administration insured notes totaling about $0.7 billion are classified as other securities rather than as loans.

[7] Beginning June 1972, commercial and industrial loans were reduced by about $0.4 billion due to loan reclassifications at one large bank.

[8] Beginning June 1974, the merger of a large mutual savings bank and a nonmember commercial bank increased total loans and investments by $0.6 billion, loans by $0.5 billion, and other securities by $0.1 billion.

Beginning November 1974, the liquidation of one large bank reduced total loans and investments by $1.5 billion, total loans by $1.0 billion, commercial and industrial loans by $0.6 billion, and other securities by $0.5 billion. In addition, commercial and industrial loans were increased by $0.1 billion due to loan reclassifications at one large bank.

[9] Beginning August 1974, reflects new definition of affiliates included and different group of reporting banks. Amount of total loans sold was reduced by $0.1 billion.

Source: Board of Governors of the Federal Reserve System.

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TABLE B–53.—*Total funds raised in credit markets by nonfinancial sectors, 1967–75*

[Billions of dollars]

Item	1967	1968	1969	1970	1971	1972	1973	1974
Total funds raised	82.4	95.9	91.8	98.2	147.4	169.4	187.4	180.1
U.S. Government	13.0	13.4	−3.6	12.8	25.5	17.3	9.7	12.0
Public debt securities	8.9	10.3	−1.3	12.9	26.0	13.9	7.7	12.0
Agency issues and mortgages	4.1	3.1	−2.4	−.1	−.5	3.4	2.0	.0
Foreign	4.0	2.8	3.7	2.7	4.6	4.3	7.5	15.4
Corporate equities	.1	.2	.5	.1	.0	−.4	−.2	−.3
Debt instruments	4.0	2.7	3.2	2.7	4.6	4.7	7.7	15.7
Private domestic nonfinancial sectors	65.4	79.7	91.8	82.7	117.3	147.8	170.1	152.7
Corporate equities	2.4	−.2	3.4	5.7	11.4	10.9	7.4	4.1
Debt instruments	63.0	79.9	88.4	77.0	105.8	136.9	162.7	148.6
Debt capital instruments	44.5	49.5	49.6	56.7	83.2	93.8	96.1	82.9
State and local government obligations	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.4
Corporate bonds	14.7	12.9	12.0	19.8	18.8	12.2	9.2	19.7
Mortgages	22.0	27.1	27.7	25.7	46.9	67.3	73.2	55.9
Home	11.5	15.1	15.7	12.8	26.1	39.6	43.3	31.7
Multi-family residential	3.6	3.4	4.7	5.8	8.8	10.3	8.4	7.8
Commercial	4.7	6.4	5.3	5.3	10.0	14.8	17.0	11.5
Farm	2.3	2.2	1.9	1.8	2.0	2.6	4.4	4.9
Other debt instruments	18.5	30.4	38.8	20.3	22.6	43.0	66.6	55.6
Consumer credit	4.5	10.0	10.4	6.0	11.2	19.2	22.9	9.6
Bank loans n.e.c.	9.8	13.6	15.5	6.7	7.8	18.9	35.8	27.3
Open-market paper	1.7	1.8	3.0	3.0	−1.2	−.5	−.4	6.6
Other	2.6	5.0	9.9	4.6	4.8	5.5	8.3	12.1
By borrowing sector: Total	65.4	79.7	91.8	82.7	117.3	147.8	170.1	152.7
State and local governments	7.9	9.8	10.7	11.3	17.8	14.2	12.3	16.6
Households	19.3	30.0	31.7	23.4	39.8	63.1	72.8	44.0
Nonfinancial business	38.1	39.9	49.4	48.0	59.6	70.5	85.1	92.1
Farm	3.6	2.8	3.2	3.2	4.1	4.9	8.6	7.8
Nonfarm noncorporate	5.0	5.6	7.4	5.3	8.7	10.4	9.3	7.2
Corporate	29.6	31.5	38.9	39.5	46.8	55.3	67.2	77.1
Total funds advanced to nonfinancial sectors	82.4	95.9	91.8	98.2	147.4	169.4	187.4	180.1
Financed directly or indirectly by:								
Private domestic nonfinancial sectors	50.5	61.4	47.7	63.3	83.1	105.8	124.3	111.3
Deposits	52.1	48.3	5.4	66.6	93.7	101.9	88.8	78.8
Demand deposits and currency	12.8	14.5	7.7	10.5	12.7	16.7	12.6	6.8
Time and savings accounts	39.3	33.9	−2.3	56.1	81.0	85.2	76.3	71.9
At commercial banks	22.6	21.0	−10.3	39.2	40.6	39.3	48.1	50.2
At savings institutions	16.7	12.9	8.0	16.9	40.4	45.9	28.2	21.8
Credit market instruments, net	−1.5	13.0	42.3	−3.4	−10.6	3.8	35.5	32.6
U.S. Government securities	−1.4	8.1	17.0	−9.0	−14.0	1.6	18.8	18.1
Private credit market instruments	5.7	12.3	27.5	6.5	10.7	12.1	20.5	13.7
Corporate equities	−4.3	−6.5	−3.8	−1.7	−5.3	−5.4	−8.2	−1.0
Less security debt	1.5	.8	−1.6	−.9	2.1	4.5	−4.4	−1.8
Other sources:								
Foreign funds	4.9	5.1	10.6	2.4	23.9	15.8	10.1	25.7
At banks	2.3	2.6	9.3	−8.5	−3.2	5.2	6.5	13.6
Direct	2.7	2.5	1.3	10.9	27.2	10.6	3.6	12.1
Change in U.S. Government cash balance	1.2	−1.1	.4	2.8	3.2	−.3	−1.7	−4.6
U.S. Government loans	4.6	4.9	2.9	2.8	3.2	2.6	3.0	7.4
Private insurance and pension reserves	18.2	18.8	19.7	21.8	24.8	27.1	29.5	36.1
Other	3.0	6.9	10.6	5.1	9.1	18.4	22.1	4.2

See footnotes at end of table.

TABLE B-53.—*Total funds raised in credit markets by nonfinancial sectors, 1967–75*—Continued

[Billions of dollars]

Item	1975 unadjusted quarterly flows			1975 seasonally adjusted annual rates		
	I	II	III	I	II	III
Total funds raised	32.6	50.1	52.6	167.4	203.3	211.2
U.S. Government	19.2	16.6	23.7	72.4	95.8	91.1
Public debt securities	19.7	16.7	23.8	74.4	96.2	91.2
Agency issues and mortgages	−.5	−.1	.0	−2.0	−.4	−.1
Foreign	1.8	3.0	3.3	7.7	11.4	14.5
Corporate equities	.1	.0	.0	.2	.1	.0
Debt instruments	1.8	3.0	3.3	7.4	11.3	14.4
Private domestic nonfinancial sectors	11.5	30.5	25.5	87.4	96.0	105.6
Corporate equities	1.9	3.2	2.0	7.7	12.9	8.1
Debt instruments	9.5	27.3	23.5	79.6	83.1	97.5
Debt capital instruments	21.6	27.7	24.4	98.7	104.4	88.8
State and local government obligations	3.6	5.0	3.8	14.0	20.1	14.5
Corporate bonds	9.4	8.3	5.3	40.1	30.5	21.2
Mortgages	8.5	14.5	15.3	44.5	53.8	53.2
Home	5.8	10.5	11.1	30.5	39.5	37.4
Multi-family	1.1	1.1	1.5	5.9	3.6	6.1
Commercial	.4	1.5	1.6	3.4	6.1	5.6
Farm	1.2	1.3	1.0	4.6	4.6	4.0
Other debt instruments	−12.1	−.5	−.9	−19.1	−21.3	8.7
Consumer credit	−5.9	1.8	4.0	−3.3	2.1	11.8
Bank loans n.e.c.	−9.4	−.6	−5.4	−21.7	−18.9	−10.8
Open-market paper	1.7	−2.6	.2	3.5	−6.3	−.3
Other	1.6	.9	.3	2.4	2.0	8.0
By borrowing sector: Total	11.5	30.5	25.5	87.4	96.0	105.6
State and local governments	3.3	4.2	3.4	12.6	17.0	12.7
Households	3.3	13.3	12.2	40.5	44.8	49.3
Nonfinancial business	4.9	13.0	10.0	34.2	34.2	43.6
Farm	1.8	2.2	1.6	6.6	5.2	7.9
Nonfarm noncorporate	−1.3	.5	1.8	.5	−.2	5.8
Corporate	4.4	10.3	6.6	27.2	29.3	29.8
Total funds advanced to nonfinancial sectors	32.6	50.1	52.6	167.4	203.3	211.2
Financed directly or indirectly by:						
Private domestic nonfinancial sectors	14.6	40.2	25.5	103.8	157.0	117.0
Deposits	9.7	39.4	10.5	83.4	144.0	66.2
Demand deposits and currency	−16.8	17.7	−5.9	−6.4	49.6	−1.0
Time and savings accounts	26.5	21.6	16.4	89.8	94.4	67.1
At commercial banks	8.9	3.2	5.2	23.5	22.7	15.7
At savings institutions	17.6	18.4	11.2	66.3	71.7	51.5
Credit market instruments, net	4.9	.8	15.0	20.4	13.0	50.8
U.S. Government securities	−4.0	−.2	11.5	−15.2	9.1	35.3
Private credit market instruments	7.9	2.6	2.8	37.8	9.9	12.6
Corporate equities	1.1	.0	.4	−2.1	.6	1.9
Less security debt	.0	1.7	−.2	.1	6.7	−1.0
Other sources:						
Foreign funds	2.5	.9	2.5	10.6	3.7	5.4
At banks	−3.3	−.5	1.4	−11.4	−3.3	7.0
Direct	5.8	1.4	1.1	22.0	7.0	−1.6
Change in U.S. Government cash balance	−.1	1.3	1.7	7.1	−1.7	12.9
U.S. Government loans	4.5	1.1	3.4	18.8	4.3	13.5
Private insurance and pension reserves	8.9	9.9	9.9	35.0	40.4	39.2
Other	2.1	−3.3	9.5	−8.0	−.6	23.2

Source: Board of Governors of the Federal Reserve System.

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TABLE B–54.—*Private liquid asset holdings, nonfinancial investors, 1959–75*

[Averages of daily figures; billions of dollars, seasonally adjusted]

Year and month	Total liquid assets	Currency and deposits					U.S. Government securities		Negotiable certificates of deposit [3]	Open-market paper [4]
		Total	Currency [1]	Demand deposits [1]	Time deposits		Savings bonds [2]	Short-term marketable securities [4]		
					Commercial banks [1]	Nonbank thrift institutions [2]				
1959: Dec	375.4	290.6	28.9	104.1	64.7	92.9	46.1	37.7	.....	1.0
1960: Dec	388.1	305.7	29.0	104.6	69.9	102.2	45.7	34.0	.....	2.8
1961: Dec	412.5	326.3	29.6	106.3	77.0	113.5	46.5	34.0	2.7	3.1
1962: Dec	444.5	352.3	30.6	106.5	88.8	126.4	46.9	36.1	5.3	3.9
1963: Dec	482.5	382.3	32.5	109.8	98.6	141.5	48.0	38.5	9.0	4.7
1964: Dec	518.4	415.1	34.3	114.6	108.9	157.3	48.9	35.7	11.6	7.0
1965: Dec	562.9	451.5	36.3	119.6	125.2	170.4	49.5	38.4	15.0	8.4
1966: Dec	593.5	474.3	38.3	121.7	137.0	177.3	50.1	43.8	14.5	10.7
1967: Dec	643.2	520.9	40.4	130.0	156.3	194.2	51.0	39.5	19.2	12.7
1968: Dec	704.1	564.5	43.4	140.1	174.3	206.7	51.4	46.8	22.5	18.8
1969: Dec	737.1	583.0	46.1	144.7	177.3	215.0	51.1	64.9	9.1	28.9
1970: Dec	786.7	634.4	49.1	153.2	199.2	232.9	51.3	53.2	23.1	24.7
1971: Dec	868.7	721.1	52.6	161.7	233.6	273.2	53.7	39.6	30.3	24.0
1972: Dec	980.2	816.0	56.9	175.2	264.7	319.1	57.0	39.8	39.9	27.6
1973: Dec	1,093.5	885.3	61.6	181.5	294.8	347.4	59.9	52.1	58.1	38.3
1974: Dec	1,184.7	941.2	67.9	183.1	321.9	368.3	62.8	60.1	79.9	40.6
1975: Dec p	1,293.6	1,053.1	73.7	190.1	363.3	426.0	66.9	61.7	72.8	39.0
1974: Jan	1,102.3	890.4	62.0	180.2	298.5	349.7	60.0	52.1	60.8	39.0
Feb	1,112.7	897.7	62.7	181.7	301.7	351.6	60.3	52.9	62.4	39.4
Mar	1,121.4	904.5	63.3	182.5	304.2	354.5	60.5	54.4	62.3	39.7
Apr	1,134.4	909.9	63.9	183.1	306.6	356.3	60.8	55.6	68.1	40.1
May	1,142.5	912.0	64.3	182.9	307.8	357.0	61.0	56.6	72.4	40.4
June	1,152.7	918.5	64.6	184.5	310.8	358.6	61.2	57.1	75.1	40.8
July	1,159.4	921.7	64.8	184.6	312.4	359.9	61.5	58.3	76.4	41.5
Aug	1,163.6	924.4	65.5	184.0	314.3	360.6	61.7	59.2	75.8	42.6
Sept	1,167.5	926.4	65.9	183.5	315.4	361.7	62.0	59.7	76.2	43.3
Oct	1,175.3	931.7	66.5	183.7	318.5	363.1	62.3	60.9	77.2	43.2
Nov	1,179.9	938.6	67.4	184.6	320.6	366.0	62.6	60.8	76.0	41.8
Dec	1,184.7	941.2	67.9	183.1	321.9	368.3	62.8	60.1	79.9	40.6
1975: Jan	1,191.8	944.8	68.2	180.0	325.1	371.5	63.2	61.0	82.5	40.3
Feb	1,199.4	952.8	68.7	180.6	328.3	375.3	63.5	60.2	82.3	40.6
Mar	1,208.0	963.9	69.4	182.2	331.4	380.9	63.8	59.4	80.0	41.1
Apr	1,217.3	973.3	69.5	183.1	334.0	386.8	64.1	59.7	78.8	41.4
May	1,226.6	985.4	70.2	184.6	338.2	392.4	64.4	59.5	75.7	41.7
June	1,243.6	1,002.5	71.1	188.0	344.3	399.1	64.7	60.6	74.0	41.8
July	1,253.7	1,013.2	71.4	188.3	348.3	405.2	65.1	61.7	72.0	41.7
Aug	1,257.6	1,021.6	71.9	188.7	350.8	410.2	65.5	61.1	68.4	41.0
Sept	1,265.2	1,028.5	72.0	189.0	352.9	414.6	65.8	61.5	69.4	40.0
Oct	1,273.2	1,035.5	72.5	188.2	356.2	418.7	66.2	61.1	71.0	39.5
Nov	1,285.0	1,047.2	73.4	190.7	360.4	422.8	66.6	61.1	70.9	39.1
Dec p	1,293.6	1,053.1	73.7	190.1	363.3	426.0	66.9	61.7	72.8	39.0

[1] Money stock components (see Table B–51) after deducting foreign holdings and holdings by domestic financial institutions. The three columns add to M_2 held by domestic nonfinancial sectors.

[2] As published in money stock statistics.

[3] Series E and H savings bonds held by individuals.

[4] Short-term marketable U.S. Government securities excluding official, foreign, and financial institution holdings.

[5] Certificates over $100,000 at weekly reporting banks, except foreign holdings.

[6] Open-market paper held outside banks and other financial institutions.

Source: Board of Governors of the Federal Reserve System.

TABLE B–55.—*Federal Reserve Bank credit and member bank reserves, 1929–75*

[Averages of daily figures; millions of dollars]

Year and month	Reserve Bank credit outstanding					Member bank reserves		
	Total	U.S. Government securities	Member bank borrowings		All other, mainly float	Total	Required	Excess
			Total	Seasonal				
1929: Dec	1,643	446	801		396	2,395	2,347	48
1933: Dec	2,669	2,432	95		142	2,588	[1] 1,822	[1] 766
1939: Dec	2,612	2,510	3		99	11,473	6,462	5,011
1940: Dec	2,305	2,188	3		114	14,049	7,403	6,646
1941: Dec	2,404	2,219	5		180	12,812	9,422	3,390
1942: Dec	6,035	5,549	4		482	13,152	10,776	2,376
1943: Dec	11,914	11,166	90		658	12,749	11,701	1,048
1944: Dec	19,612	18,693	265		654	14,168	12,884	1,284
1945: Dec	24,744	23,708	334		702	16,027	14,536	1,491
1946: Dec	24,746	23,767	157		822	16,517	15,617	900
1947: Dec	22,858	21,905	224		729	17,261	16,275	986
1948: Dec	23,978	23,002	134		842	19,990	19,193	797
1949: Dec	19,012	18,287	118		607	16,291	15,488	803
1950: Dec	21,606	20,345	142		1,119	17,391	16,364	027
1951: Dec	25,446	23,409	657		1,380	20,310	19,484	826
1952: Dec	27,299	24,400	1,593		1,306	21,180	20,457	723
1953: Dec	27,107	25,639	441		1,027	19,920	19,227	693
1954: Dec	26,317	24,917	246		1,154	19,279	18,576	703
1955: Dec	26,853	24,602	839		1,412	19,240	18,646	594
1956: Dec	27,156	24,765	688		1,703	19,535	18,883	652
1957: Dec	26,186	23,982	710		1,494	19,420	18,843	577
1958: Dec	28,412	26,312	557		1,543	18,899	18,383	516
1959: Dec	29,435	27,036	906		1,493	[2] 18,932	18,450	482
1960: Dec	29,060	27,248	87		1,725	19,283	18,527	756
1961: Dec	31,217	29,008	149		1,970	20,118	19,550	568
1962: Dec	33,218	30,546	304		2,368	20,040	19,468	572
1963: Dec	36,610	33,729	327		2,554	20,746	20,210	536
1964: Dec	39,873	37,126	243		2,504	21,609	21,198	411
1965: Dec	43,853	40,885	454		2,514	22,719	22,267	452
1966: Dec	46,864	43,760	557		2,547	23,830	23,438	392
1967: Dec	51,268	48,891	238		2,139	25,260	24,915	345
1968: Dec	56,610	52,529	765		3,316	27,221	26,766	455
1969: Dec	64,100	57,500	1,086		5,514	28,031	27,774	257
1970: Dec	66,708	61,528	321		4,699	29,265	28,993	272
1971: Dec	74,255	69,158	107		4,990	31,329	31,164	165
1972: Dec	76,851	71,094	1,049		4,708	[3] 31,353	31,134	[3] 219
1973: Dec	85,642	79,701	1,298	41	4,643	[3] 35,068	34,806	[3] 262
1974: Dec	93,967	86,679	703	32	6,585	[3] 36,941	36,602	[3] 339
1975: Dec p	99,630	92,108	129	14	7,393	[4] 34,968	34,728	[4] 240
1974: Jan	86,568	80,793	1,044	18	4,731	36,655	36,419	236
Feb	85,493	80,801	1,186	17	3,506	35,242	35,053	189
Mar	84,943	80,686	1,352	32	2,905	34,966	34,790	176
Apr	86,907	81,567	1,714	50	3,626	35,929	35,771	158
May	89,405	83,434	2,580	102	3,391	36,519	36,325	194
June	89,254	82,812	3,000	130	3,442	36,390	36,259	131
July	91,554	84,313	3,308	149	3,933	37,338	37,161	177
Aug	91,367	84,493	3,351	165	3,523	37,029	36,851	178
Sept	91,617	84,384	3,287	139	3,946	37,076	36,885	191
Oct	90,971	83,735	1,793	117	5,443	36,796	36,705	91
Nov	91,302	84,052	1,285	67	5,965	36,837	36,579	258
Dec	93,967	86,679	703	32	6,585	36,941	36,602	339
1975: Jan	93,002	86,039	390	13	6,573	37,492	37,556	−64
Feb	91,168	84,744	147	10	6,277	35,565	35,333	232
Mar	90,819	84,847	106	7	5,866	34,779	34,513	266
Apr	93,214	87,080	110	7	6,024	35,134	35,014	120
May	97,845	91,918	80	9	5,867	34,492	34,493	−1
June	95,119	88,912	271	11	5,936	34,976	34,428	548
July	94,144	88,166	261	17	5,717	34,655	34,687	−32
Aug	92,395	86,829	211	38	5,355	34,482	34,265	217
Sept	95,277	89,191	396	61	5,690	34,646	34,447	199
Oct	96,931	90,476	191	65	6,264	34,567	34,411	156
Nov	97,817	90,934	61	28	6,822	34,571	34,281	290
Dec p	99,630	92,108	129	14	7,393	[4] 34,968	34,728	[4] 240

[1] Data are for licensed banks only.

[2] Beginning December 1959, total reserves held include vault cash allowed.

[3] Beginning November 1972, includes $450 million of reserve deficiencies on which Federal Reserve Banks were allowed to waive penalties for a transition period in connection with bank adaptation to Regulation J as amended effective November 9, 1972. Beginning 1973, allowable deficiencies included are (beginning with first statement week of quarter): first quarter, $279 million; second quarter, $172 million; third quarter, $112 million; fourth quarter, $84 million. Beginning 1974 allowable deficiencies included are: first quarter, $67 million and second quarter, $58 million. Transition period ended after second quarter 1974.

[4] Includes $1 million of reserve deficiencies on which penalties were waived in accordance with Regulation D change effective November 19, 1975.

Source: Board of Governors of the Federal Reserve System.

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TABLE B–56.—*Aggregate reserves and member bank deposits, 1959–75*

[Averages of daily figures; [1] billions of dollars, seasonally adjusted]

Year and month	Member bank reserves [2]				Deposits subject to reserve requirements [4]				Total member bank deposits plus nondeposit items [5]
	Total	Nonborrowed	Required	Available [3]	Total	Time and savings	Demand		
							Private	U.S. Government	
1959: Dec	18.58	17.64	18.08	16.62	158.2	54.3	89.0	4.8	158.2
1960: Dec	18.90	18.82	18.15	17.01	162.5	58.8	99.1	4.6	162.5
1961: Dec	19.73	19.59	19.14	17.71	175.5	67.7	102.9	4.9	175.5
1962: Dec	19.66	19.40	19.09	17.58	189.0	79.9	103.3	5.7	189.0
1963: Dec	20.29	19.96	19.80	18.24	203.2	92.1	105.9	5.2	203.4
1964: Dec	21.20	20.93	20.79	19.09	218.7	103.7	109.1	5.9	220.1
1965: Dec	22.26	21.81	21.83	20.20	238.5	120.5	112.8	5.1	240.0
1966: Dec	23.35	22.81	23.01	21.40	246.7	128.6	113.9	4.3	250.9
1967: Dec	24.78	24.56	24.41	22.49	275.5	148.8	121.2	5.5	279.9
1968: Dec	27.15	26.40	26.72	24.86	299.6	164.3	130.3	5.0	306.6
1969: Dec	27.99	26.87	27.70	25.39	287.7	150.5	131.9	5.3	307.0
1970: Dec	29.20	28.87	28.96	27.14	321.3	178.9	136.0	6.4	333.4
1971: Dec	31.32	31.20	31.14	29.04	360.3	210.7	143.8	5.8	365.2
1972: Dec	31.46	30.41	31.17	29.09	402.0	242.0	154.5	5.6	406.4
1973: Dec	35.17	33.87	34.86	32.94	442.2	280.0	158.2	3.9	448.7
1974: Dec	36.91	36.18	36.65	34.64	485.9	323.4	160.7	1.9	494.3
1975: Dec p	35.04	34.90	34.75	32.69	506.7	339.0	164.6	3.1	515.1
1974: Jan	35.82	34.77	35.66	32.83	446.8	284.1	157.5	5.1	453.3
Feb	35.12	33.92	34.93	32.90	447.5	287.4	157.9	2.2	454.4
Mar	34.98	33.66	34.84	33.13	450.4	288.6	158.7	3.2	457.9
Apr	35.88	34.15	35.70	33.66	461.2	296.6	160.0	4.6	469.2
May	36.50	33.91	36.34	34.24	467.1	302.3	159.1	5.6	475.8
June	36.74	33.73	36.54	34.71	472.9	307.0	160.6	5.3	481.2
July	37.40	34.10	37.24	34.96	475.7	310.7	160.7	4.2	484.9
Aug	37.27	33.93	37.08	35.27	478.5	312.4	159.9	6.2	487.5
Sept	37.26	33.98	37.08	35.28	480.6	314.4	159.9	6.3	489.2
Oct	36.85	35.04	36.73	34.88	480.5	317.2	159.5	3.7	488.3
Nov	36.88	35.62	36.67	34.87	483.6	318.4	160.6	4.6	491.2
Dec	36.91	36.18	36.65	34.64	485.9	323.4	160.7	1.9	494.3
1975: Jan	36.91	36.51	36.76	34.41	488.2	328.5	159.0	.7	495.8
Feb	35.46	35.32	35.27	33.61	489.2	328.9	159.7	.6	495.7
Mar	34.85	34.74	34.65	33.03	491.6	329.2	161.7	.7	498.1
Apr	35.08	34.97	34.93	33.11	493.5	329.7	161.7	2.1	500.2
May	34.63	34.56	34.47	32.80	493.7	329.0	162.6	2.1	501.2
June	34.87	34.65	34.67	33.00	500.5	330.8	165.9	3.8	507.5
July	34.99	34.69	34.80	32.94	498.5	330.8	165.2	2.5	505.3
Aug	34.57	34.36	34.37	32.77	496.0	327.9	165.3	2.9	503.0
Sept	34.68	34.28	34.49	32.79	498.8	330.1	165.6	3.1	505.8
Oct	34.59	34.40	34.39	32.68	500.0	333.5	163.7	2.9	507.9
Nov	34.61	34.55	34.32	32.51	505.1	335.7	165.9	3.6	513.3
Dec p	35.04	34.90	34.75	32.69	506.7	339.0	164.6	3.1	515.1

[1] Except as noted in footnote 5.

[2] Member bank reserves series reflects actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M.

[3] Reserves available to support private nonbank deposits are defined as (1) required reserves for (a) private demand deposits, (b) total time and savings deposits, and (c) nondeposit sources subject to reserve requirements and (2) excess reserves. This series excludes required reserves for net interbank and U.S. Government demand deposits.

[4] Deposits subject to reserve requirements include total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Government, less cash items in process of collection and demand balances due from domestic commercial banks.

[5] Total member bank deposits subject to reserve requirements, plus Eurodollar borrowings, loans sold to bank-related institutions (data relate to Wednesday figures), and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

Source: Board of Governors of the Federal Reserve System.

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TABLE B–57.—*Bond yields and interest rates, 1929–75*

[Percent per annum]

Year or month	U.S. Government securities			Corporate bonds (Moody's)		High-grade municipal bonds (Standard & Poor's)	Average rate on short-term bank loans to business—selected cities	Prime commercial paper, 4–6 months	Discount rate, Federal Reserve Bank of New York [4]	Federal funds rate [5]	FHA new home mortgage yields [6]
	3-month Treasury bills [1]	3–5 year issues [2]	Taxable bonds [3]	Aaa	Baa						
1929	.....	.....	.....	4.73	5.90	4.27	.....	5.85	5.16	.....	.....
1933	0.515	2.66	.....	4.49	7.76	4.71	.....	1.73	2.56	.....	.....
1939	.023	.59	.....	3.01	4.96	2.76	2.1	.59	1.00	.....	.....
1940	.014	.50	.....	2.84	4.75	2.50	2.1	.56	1.00	.....	.....
1941	.103	.73	.....	2.77	4.33	2.10	2.0	.53	1.00	.....	.....
1942	.326	1.46	2.46	2.83	4.28	2.36	2.2	.66	[7] 1.00	.....	.....
1943	.373	1.34	2.47	2.73	3.91	2.06	2.6	.69	[7] 1.00	.....	.....
1944	.375	1.33	2.48	2.72	3.61	1.86	2.4	.73	[7] 1.00	.....	.....
1945	.375	1.18	2.37	2.62	3.29	1.67	2.2	.75	[7] 1.00	.....	.....
1946	.375	1.16	2.19	2.53	3.05	1.64	2.1	.81	[7] 1.00	.....	.....
1947	.594	1.32	2.25	2.61	3.24	2.01	2.1	1.03	1.00	.....	.....
1948	1.040	1.62	2.44	2.82	3.47	2.40	2.5	1.44	1.34	.....	.....
1949	1.102	1.43	2.31	2.66	3.42	2.21	2.68	1.49	1.50	.....	4.34
1950	1.218	1.50	2.32	2.62	3.24	1.98	2.69	1.45	1.59	.....	4.17
1951	1.552	1.93	2.57	2.86	3.41	2.00	3.11	2.16	1.75	.....	4.21
1952	1.766	2.13	2.68	2.96	3.52	2.19	3.49	2.33	1.75	.....	4.29
1953	1.931	2.56	2.94	3.20	3.74	2.72	3.69	2.52	1.99	.....	4.61
1954	.953	1.82	2.55	2.90	3.51	2.37	3.61	1.58	1.60	.....	4.62
1955	1.753	2.50	2.84	3.06	3.53	2.53	3.70	2.18	1.89	1.78	4.64
1956	2.658	3.12	3.08	3.36	3.88	2.93	4.20	3.31	2.77	2.73	4.79
1957	3.267	3.62	3.47	3.89	4.71	3.60	4.62	3.81	3.12	3.11	5.42
1958	1.839	2.90	3.43	3.79	4.73	3.56	4.34	2.46	2.15	1.57	5.49
1959	3.405	4.33	4.07	4.38	5.05	3.95	[8] 5.00	3.97	3.36	3.30	5.71
1960	2.928	3.99	4.01	4.41	5.19	3.73	5.16	3.85	3.53	3.22	6.18
1961	2.378	3.60	3.90	4.35	5.08	3.46	4.97	2.97	3.00	1.96	5.80
1962	2.778	3.57	3.95	4.33	5.02	3.18	5.00	3.26	3.00	2.68	5.61
1963	3.157	3.72	4.00	4.26	4.86	3.23	5.01	3.55	3.23	3.18	5.47
1964	3.549	4.06	4.15	4.40	4.83	3.22	4.99	3.97	3.55	3.50	5.45
1965	3.954	4.22	4.21	4.49	4.87	3.27	5.06	4.38	4.04	4.07	5.46
1966	4.881	5.16	4.66	5.13	5.67	3.82	6.00	5.55	4.50	5.11	6.29
1967	4.321	5.07	4.85	5.51	6.23	3.98	[8] 6.00	5.10	4.19	4.22	6.55
1968	5.339	5.59	5.25	6.18	6.94	4.51	6.68	5.90	5.17	5.66	7.13
1969	6.677	6.85	6.10	7.03	7.81	5.81	8.21	7.83	5.87	8.21	8.19
1970	6.458	7.37	6.59	8.04	9.11	6.51	8.48	7.72	5.95	7.17	9.05
1971	4.348	5.77	5.74	7.39	8.56	5.70	[8] 6.32	5.11	4.88	4.67	7.78
1972	4.071	5.85	5.63	7.21	8.16	5.27	5.82	4.69	4.50	4.44	7.53
1973	7.041	6.92	6.30	7.44	8.24	5.18	8.30	8.15	6.44	8.74	8.08
1974	7.886	7.81	6.99	8.57	9.50	6.09	11.28	9.87	7.83	10.51	9.47
1975	5.838	7.55	6.98	8.83	10.39	6.89	8.65	6.33	6.25	5.82	9.22

See next page for continuation of table and for footnotes.

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TABLE B–57.—*Bond yields and interest rates, 1929–75*—Continued

[Percent per annum]

Year or month	U.S. Government securities			Corporate bonds (Moody's)		High-grade municipal bonds (Standard & Poor's)	Average rate on short-term bank loans to business—selected cities	Prime commercial paper, 4–6 months	Discount rate, Federal Reserve Bank of New York [4]	Federal funds rate [5]	FHA new home mortgage yields [6]
	3-month Treasury bills [1]	3–5 year issues [2]	Taxable bonds [3]	Aaa	Baa						
1973: Jan	5.307	6.29	5.94	7.15	7.90	5.05		5.78	4½–5	5.94	7.56
Feb	5.558	6.61	6.14	7.22	7.97	5.12	6.52	6.22	5 –5½	6.58	7.55
Mar	6.054	6.85	6.20	7.29	8.03	5.30		6.85	5½–5½	7.09	7.56
Apr	6.289	6.74	6.11	7.26	8.09	5.16		7.14	5½–5½	7.12	7.63
May	6.348	6.78	6.22	7.29	8.06	5.12	7.35	7.27	5½–6	7.84	7.73
June	7.188	6.76	6.32	7.37	8.13	5.15		7.99	6 –6½	8.49	7.79
July	8.015	7.49	6.53	7.45	8.24	5.39		9.18	6½–7	10.40	7.89
Aug	8.672	7.75	6.81	7.68	8.53	5.47	9.24	10.21	7 –7½	10.50	8.19
Sept	8.478	7.16	6.42	7.63	8.63	5.11		10.23	7½–7½	10.78	
Oct	7.155	6.81	6.26	7.60	8.41	5.05		8.92	7½–7½	10.01	9.18
Nov	7.866	6.96	6.31	7.67	8.42	5.17	10.08	8.94	7½–7½	10.03	8.97
Dec	7.364	6.80	6.35	7.68	8.48	5.12		9.08	7½–7½	9.95	8.86
1974: Jan	7.755	6.94	6.56	7.83	8.58	5.20		8.66	7½–7½	9.65	8.78
Feb	7.060	6.77	6.54	7.85	8.59	5.19	9.91	7.83	7½–7½	8.97	
Mar	7.986	7.33	6.81	8.01	8.65	5.36		8.42	7½–7½	9.35	8.54
Apr	8.229	7.99	7.04	8.25	8.88	5.67		9.79	7½–8	10.51	8.66
May	8.430	8.24	7.07	8.37	9.10	5.96	11.15	10.62	8 –8	11.31	9.17
June	8.145	8.14	7.03	8.47	9.34	6.08		10.96	8 –8	11.93	9.46
July	7.752	8.39	7.18	8.72	9.55	6.54		11.72	8 –8	12.92	9.46
Aug	8.744	8.64	7.33	9.00	9.77	6.58	12.40	11.65	8 –8	12.01	9.85
Sept	8.363	8.38	7.30	9.24	10.12	6.65		11.23	8 –8	11.34	10.30
Oct	7.244	7.98	7.22	9.27	10.41	6.46		9.36	8 –8	10.06	10.38
Nov	7.585	7.65	6.93	8.90	10.50	6.47	11.64	8.81	8 –8	9.45	10.13
Dec	7.179	7.22	6.78	8.89	10.55	6.93		8.98	8 –7¾	8.53	
1975: Jan	6.493	7.29	6.68	8.83	10.62	6.66		7.30	7¾–7¼	7.13	9.51
Feb	5.583	6.85	6.61	8.62	10.43	6.30	9.94	6.33	7¼–6¾	6.24	8.99
Mar	5.544	7.00	6.73	8.67	10.29	6.61		6.06	6¾–6¼	5.54	8.84
Apr	5.694	7.76	7.03	8.95	10.34	6.83		6.15	6¼–6¼	5.49	8.69
May	5.315	7.49	6.99	8.90	10.46	6.81	8.16	5.82	6¼–6	5.22	
June	5.193	7.26	6.86	8.77	10.40	6.76		5.79	6 –6	5.55	9.16
July	6.164	7.72	6.89	8.84	10.33	6.94		6.44	6 –6	6.10	9.06
Aug	6.463	8.12	7.06	8.95	10.35	7.02	8.22	6.70	6 –6	6.14	9.13
Sept	6.383	8.22	7.29	8.95	10.38	7.23		6.86	6 –6	6.24	9.32
Oct	6.081	7.80	7.29	8.86	10.37	7.22		6.48	6 –6	5.82	9.74
Nov	5.468	7.51	7.21	8.78	10.33	7.21	8.29	5.91	6 –6	5.22	9.53
Dec	5.504	7.50	7.17	8.79	10.35	7.06		5.97	6 –6	5.20	9.41

[1] Rate on new issues within period. First issued in December 1929.

[2] Selected note and bond issues.

[3] First issued in 1941. Series includes bonds which are neither due nor callable before a given number of years as follows: April 1953 to date, 10 years; April 1952–March 1953, 12 years; November 1941–March 1952, 15 years.

[4] Average effective rate for the year; opening and closing rate for the month.

[5] Based on seven-day averages of daily effective rates for weeks ending Wednesday. Since July 19, 1975, the daily effective rate is an average of the rates on a given day weighted by the volume of transactions at these rates. Prior to that date, the daily effective rate was the rate considered most representative of the day's transactions, usually the one at which most transactions occurred.

[6] Data for first of the month, based on the maximum permissible interest rate (9 percent beginning September 2, 1975) Through July 1961, computed on 25-year mortgages paid in 12 years and thereafter, 30-year mortgages paid in 15 years.

[7] From October 30, 1942, to April 24, 1946, a preferential rate of 0.50 percent was in effect for advances secured by Government securities maturing in 1 year or less.

[8] Series revised. Not strictly comparable with earlier data.

Sources: Department of Housing and Urban Development, Department of the Treasury, Board of Governors of the Federal Reserve System, Moody's Investors Service, and Standard & Poor's Corporation.

TABLE B–58.—*Short- and intermediate-term consumer credit outstanding, 1929–75*

[Millions of dollars]

End of year or month	Total	Instalment credit					Noninstalment credit			Addendum: Policy loans by life insurance companies [2]
		Total	Automobile paper	Other consumer goods paper	Home improvement loans [1]	Personal loans	Total	Charge accounts	Other [2]	
1929	7,116	3,524	1,384	1,544	27	569	3,592	1,996	1,596	2,379
1933	3,885	1,723	493	799	15	416	2,162	1,286	876	3,769
1939	7,222	4,503	1,497	1,620	298	1,088	2,719	1,414	1,305	3,248
1940	8,338	5,514	2,071	1,827	371	1,245	2,824	1,471	1,353	3,091
1941	9,172	6,085	2,458	1,929	376	1,322	3,087	1,645	1,442	2,919
1942	5,983	3,166	742	1,195	255	974	2,817	1,444	1,373	2,683
1943	4,901	2,136	355	819	130	832	2,765	1,440	1,325	2,373
1944	5,111	2,176	397	791	119	869	2,935	1,517	1,418	2,134
1945	5,665	2,462	455	816	182	1,009	3,203	1,612	1,591	1,962
1946	8,384	4,172	981	1,290	405	1,496	4,212	2,076	2,136	1,894
1947	11,598	6,695	1,924	2,143	718	1,910	4,903	2,381	2,522	1,937
1948	14,447	8,996	3,018	2,901	853	2,224	5,451	2,722	2,729	2,057
1949	17,364	11,590	4,555	3,706	898	2,431	5,774	2,854	2,920	2,240
1950	21,471	14,703	6,074	4,799	1,016	2,814	6,768	3,367	3,401	2,413
1951	22,712	15,294	5,972	4,880	1,085	3,357	7,418	3,700	3,718	2,590
1952	27,520	19,403	7,733	6,174	1,385	4,111	8,117	4,130	3,987	2,713
1953	31,393	23,005	9,835	6,779	1,610	4,781	8,388	4,274	4,114	2,914
1954	32,464	23,568	9,809	6,751	1,616	5,392	8,896	4,485	4,411	3,127
1955	38,830	28,906	13,460	7,641	1,693	6,112	9,924	4,795	5,129	3,290
1956	42,334	31,720	14,420	8,606	1,905	6,789	10,614	4,995	5,619	3,519
1957	44,971	33,868	15,340	8,844	2,101	7,582	11,103	5,146	5,957	3,869
1958	45,129	33,642	14,152	9,028	2,346	8,116	11,487	5,060	6,427	4,188
1959	51,544	39,247	16,420	10,631	2,809	9,386	12,297	5,104	7,193	4,618
1960	56,141	42,968	17,658	11,545	3,148	10,617	13,173	5,329	7,844	5,231
1961	57,982	43,891	17,135	11,862	3,221	11,673	14,091	5,324	8,767	5,733
1962	63,821	48,720	19,381	12,627	3,298	13,414	15,101	5,684	9,417	6,234
1963	71,739	55,486	22,254	14,177	3,437	15,618	16,253	5,903	10,350	6,655
1964	80,268	62,692	24,934	16,333	3,577	17,848	17,576	6,195	11,381	7,140
1965	89,883	70,893	28,437	18,483	3,736	20,237	18,990	6,430	12,560	7,678
1966	96,239	76,245	30,010	20,732	3,841	21,662	19,994	6,686	13,308	9,117
1967	100,783	79,428	29,796	22,389	4,008	23,235	21,355	7,070	14,285	10,059
1968	110,770	87,745	32,948	24,626	4,239	25,932	23,025	7,193	15,832	11,306
1969	121,146	97,105	35,527	28,313	4,613	28,652	24,041	7,373	16,668	13,825
1970	127,163	102,064	35,184	31,465	5,070	30,345	25,099	7,968	17,131	16,064
1971	139,107	111,662	38,802	34,608	5,408	32,843	27,445	8,350	19,095	17,065
1972	157,939	127,448	44,293	39,766	6,258	37,131	30,491	8,881	21,610	18,003
1973	180,803	148,273	51,274	47,325	7,453	42,220	32,530	9,198	23,332	20,199
1974	191,457	158,101	52,209	52,045	8,398	45,450	33,356	9,506	23,850	22,862
1975 [4]	197,110	162,010	53,730	52,705	8,340	47,235	35,100	10,375	24,725	.....
1974: Jan.	179,404	147,309	50,796	46,938	7,407	42,167	32,095	8,757	23,338	20,353
Feb.	179,244	147,091	50,622	46,767	7,452	42,251	32,153	8,491	23,662	20,483
Mar.	179,335	146,902	50,618	46,396	7,543	42,345	32,433	8,501	23,932	20,643
Apr.	181,146	148,261	50,962	46,872	7,692	42,734	32,885	8,813	24,072	20,819
May	183,291	150,227	51,477	47,526	7,912	43,312	33,064	9,132	23,932	21,056
June	184,999	152,096	52,098	48,054	8,063	43,881	32,903	9,164	23,739	21,305
July	186,359	153,658	52,567	48,489	8,220	44,382	32,701	9,154	23,547	21,563
Aug.	189,047	156,123	53,256	49,286	8,384	45,197	32,924	9,270	23,654	21,867
Sept.	189,808	156,925	53,334	49,698	8,440	45,454	32,883	9,255	23,628	22,175
Oct.	189,929	157,077	53,238	49,909	8,492	45,438	32,852	9,337	23,515	22,473
Nov.	189,849	156,982	52,844	50,328	8,481	45,329	32,867	9,266	23,601	22,676
Dec.	191,457	158,101	52,209	52,045	8,398	45,450	33,356	9,506	23,850	22,862
1975: Jan.	188,683	155,790	51,440	51,073	8,281	44,995	32,893	9,080	23,813	23,058
Feb.	187,561	154,639	51,373	50,166	8,196	44,903	32,922	8,789	24,133	23,224
Mar.	186,396	153,305	50,954	49,326	8,153	44,873	33,091	8,797	24,294	23,391
Apr.	186,415	153,131	50,849	49,227	8,108	44,948	33,284	9,004	24,280	23,459
May	186,830	153,411	50,978	49,224	8,136	45,072	33,419	9,359	24,060	23,570
June	187,471	154,283	51,453	49,212	8,202	45,416	33,188	9,199	23,989	23,675
July	188,282	155,419	52,088	49,188	8,272	45,871	32,863	9,134	23,729	23,794
Aug.	189,837	156,765	52,545	49,610	8,329	46,280	33,072	9,143	23,929	23,919
Sept.	191,059	157,720	52,852	49,856	8,372	46,641	33,339	9,300	24,039	24,048
Oct.	191,901	158,391	53,286	49,982	8,374	46,750	33,510	9,479	24,031	24,171
Nov.	192,995	159,200	53,479	50,426	8,361	46,935	33,794	9,571	24,223	.....
Dec [4]	197,110	162,010	53,730	52,705	8,340	47,235	35,100	10,375	24,725	.....

[1] Holdings of financial institutions only; holdings of retail outlets are included in other consumer goods paper.
[2] Single-payment loans and service credit.
[3] Data are annual statement asset values. These loans are not included in consumer credit series.
[4] Preliminary; by Council of Economic Advisers.

Sources: Board of Governors of the Federal Reserve System and Institute of Life Insurance (except as noted).

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TABLE B–59.—*Instalment credit extended and repaid, 1946–75*

[Millions of dollars; monthly data seasonally adjusted]

Year or month	Total		Automobile paper		Other consumer goods paper		Home improvement loans		Personal loans	
	Extended	Repaid	Extended	Repaid	Extended	Repaid	Extended	Repaid	Extended	Repaid
1946	8,495	6,785	1,969	1,443	3,077	2,603	423	200	3,026	2,539
1947	12,713	10,190	3,692	2,749	4,498	3,645	704	391	3,819	3,405
1948	15,585	13,284	5,217	4,123	5,383	4,625	714	579	4,271	3,957
1949	18,108	15,514	6,967	5,430	5,865	5,060	734	689	4,542	4,335
1950	21,558	18,445	8,530	7,011	7,150	6,057	835	717	5,043	4,660
1951	23,576	22,985	8,956	9,058	7,485	7,404	841	772	6,294	5,751
1952	29,514	25,405	11,764	10,003	9,186	7,892	1,217	917	7,347	6,593
1953	31,558	27,956	12,981	10,879	9,227	8,622	1,344	1,119	8,006	7,336
1954	31,051	30,488	11,807	11,833	9,117	9,145	1,261	1,255	8,866	8,255
1955	38,972	33,634	16,734	13,082	10,642	9,752	1,393	1,316	10,203	9,484
1956	39,866	37,056	15,515	14,555	11,721	10,758	1,582	1,370	11,051	10,373
1957	42,019	39,870	16,465	15,545	11,810	11,574	1,674	1,477	12,069	11,276
1958	40,110	40,339	14,226	15,415	11,738	11,557	1,871	1,623	12,275	11,741
1959	48,048	42,603	17,779	15,579	13,981	12,402	2,222	1,765	14,070	12,857
1960	49,793	46,073	17,657	16,419	14,525	13,613	2,215	1,876	15,396	14,165
1961	49,048	48,124	16,029	16,552	14,551	14,235	2,092	2,015	16,377	15,319
1962	56,191	51,360	19,694	17,447	15,701	14,935	2,084	2,010	18,710	16,969
1963	63,591	56,825	22,126	19,254	17,920	16,369	2,186	2,046	21,359	19,156
1964	70,670	63,470	24,046	21,369	20,821	18,666	2,225	2,086	23,578	21,349
1965	78,661	70,463	27,208	23,706	22,857	20,707	2,270	2,112	26,326	23,938
1966	82,832	77,480	27,192	25,619	26,329	24,080	2,223	2,118	27,088	25,663
1967	87,171	83,988	26,320	26,534	29,504	27,847	2,369	2,202	28,978	27,405
1968	99,984	91,667	31,083	27,931	33,507	31,270	2,534	2,303	32,860	30,163
1969	109,146	99,786	32,553	29,974	38,332	34,645	2,831	2,457	35,430	32,710
1970	112,158	107,199	29,794	30,137	43,873	40,721	2,963	2,506	35,528	33,835
1971	124,686	115,087	35,036	31,418	48,137	44,994	3,239	2,900	38,274	35,775
1972	142,865	127,073	40,447	34,955	54,845	49,687	4,094	3,242	43,479	39,189
1973	164,526	143,703	46,486	39,506	65,128	57,569	4,828	3,632	48,084	42,996
1974	166,176	156,341	43,431	42,496	68,497	63,775	4,854	3,908	49,394	46,162
1975[1]	166,570	162,662	46,550	45,029	68,120	67,460	4,350	4,408	47,550	45,765
1974: Jan.	13,720	12,748	3,505	3,470	5,600	5,043	375	356	4,240	3,879
Feb.	13,886	12,730	3,502	3,395	5,866	5,175	418	327	4,100	3,833
Mar.	13,706	13,059	3,590	3,543	5,584	5,358	429	311	4,103	3,847
Apr.	14,027	12,907	3,611	3,520	5,706	5,241	450	318	4,260	3,828
May	14,465	13,224	3,798	3,635	5,836	5,307	471	321	4,360	3,961
June	14,314	13,079	3,794	3,572	5,794	5,319	433	333	4,293	3,855
July	14,448	13,164	3,813	3,600	5,810	5,323	437	323	4,388	3,918
Aug.	14,400	12,916	3,908	3,481	5,786	5,294	412	317	4,294	3,824
Sept.	13,985	13,169	3,864	3,653	5,650	5,351	327	289	4,144	3,876
Oct.	13,512	13,175	3,424	3,503	5,577	5,287	382	327	4,129	4,058
Nov.	12,536	12,909	3,157	3,474	5,361	5,323	357	334	3,661	3,778
Dec.	13,057	13,438	3,319	3,684	5,810	5,817	340	357	3,588	3,580
1975: Jan.	12,848	13,275	3,334	3,604	5,349	5,392	288	346	3,877	3,933
Feb.	13,243	13,117	3,881	3,623	5,221	5,375	305	360	3,836	3,759
Mar.	12,734	13,217	3,488	3,812	5,303	5,537	343	365	3,600	3,503
Apr.	13,168	13,409	3,476	3,746	5,434	5,471	321	377	3,937	3,815
May	12,993	13,359	3,554	3,718	5,396	5,544	343	364	3,700	3,733
June	13,618	13,413	3,753	3,751	5,519	5,532	378	368	3,968	3,762
July	14,322	13,435	4,124	3,740	5,674	5,619	395	357	4,129	3,719
Aug.	14,426	13,790	4,031	3,819	5,928	5,639	363	367	4,104	3,965
Sept.	14,555	13,794	4,235	3,849	5,723	5,720	388	369	4,209	3,856
Oct.	14,832	14,002	4,189	3,799	6,020	5,771	393	398	4,230	4,032
Nov.	14,877	14,074	4,218	3,814	6,177	5,998	409	371	4,073	3,890
Dec[1]	15,200	14,300	4,300	3,875	6,300	6,025	400	375	4,200	4,025

[1] Preliminary; December by Council of Economic Advisers.

Source: Board of Governors of the Federal Reserve System (except as noted).

TABLE B–60.—*Mortgage debt outstanding by type of property and of financing, 1939–75*

[Billions of dollars]

End of year or quarter	All properties	Farm properties	Nonfarm properties				Nonfarm properties by type of mortgage					
							Government underwritten				Conventional [2]	
			Total	1- to 4-family houses	Multifamily properties	Commercial properties [1]	Total	1- to 4-family houses			Total	1- to 4-family houses
								Total	FHA insured	VA guaranteed		
1939	35.5	6.6	28.9	16.3	5.6	7.0	1.8	1.8	1.8	-------	27.1	14.5
1940	36.5	6.5	30.0	17.4	5.7	6.9	2.3	2.3	2.3	-------	27.7	15.1
1941	37.6	6.4	31.2	18.4	5.9	7.0	3.0	3.0	3.0	-------	28.2	15.4
1942	36.7	6.0	30.8	18.2	5.8	6.7	3.7	3.7	3.7	-------	27.1	14.5
1943	35.3	5.4	29.9	17.8	5.8	6.3	4.1	4.1	4.1	-------	25.8	13.7
1944	34.7	4.9	29.7	17.9	5.6	6.2	4.2	4.2	4.2	-------	25.5	13.7
1945	35.5	4.8	30.8	18.6	5.7	6.4	4.3	4.3	4.1	0.2	26.5	14.3
1946	41.8	4.9	36.9	23.0	6.1	7.7	6.3	6.1	3.7	2.4	30.6	16.9
1947	48.9	5.1	43.9	28.2	6.6	9.1	9.8	9.3	3.8	5.5	34.1	18.9
1948	56.2	5.3	50.9	33.3	7.5	10.2	13.6	12.5	5.3	7.2	37.3	20.8
1949	62.7	5.6	57.1	37.6	8.6	10.8	18.1	15.0	6.9	8.1	39.0	22.6
1950	72.8	6.1	66.7	45.2	10.1	11.5	22.1	18.9	8.6	10.3	44.6	26.3
1951	82.3	6.7	75.6	51.7	11.5	12.5	26.6	22.9	9.7	13.2	49.0	28.8
1952	91.4	7.2	84.2	58.5	12.3	13.4	29.3	25.4	10.8	14.6	54.9	33.1
1953	101.3	7.7	93.6	66.1	12.9	14.5	32.1	28.1	12.0	16.1	61.5	38.0
1954	113.7	8.2	105.4	75.7	13.5	16.3	36.2	32.1	12.8	19.3	69.2	43.6
1955	129.9	9.0	120.9	88.2	14.3	18.3	42.9	38.9	14.3	24.6	78.0	49.3
1956	144.5	9.8	134.6	99.0	14.9	20.7	47.8	43.9	15.5	28.4	86.8	55.1
1957	156.5	10.4	146.1	107.6	15.3	23.2	51.6	47.2	16.5	30.7	94.6	60.4
1958	171.8	11.1	160.7	117.7	16.8	26.1	55.1	50.1	19.7	30.4	105.5	67.6
1959	190.8	12.1	178.7	130.9	18.7	29.2	59.3	53.8	23.8	30.0	119.4	77.0
1960	206.8	12.8	194.0	141.3	20.3	32.4	62.3	56.4	26.7	29.7	131.7	84.8
1961	226.3	13.9	212.4	153.1	23.0	36.4	65.6	59.1	29.5	29.6	146.8	93.9
1962	248.6	15.2	233.4	166.5	25.8	41.1	69.4	62.2	32.3	29.9	164.1	104.3
1963	274.3	16.8	257.4	182.2	29.0	46.2	73.4	65.9	35.0	30.9	184.0	116.3
1964	300.1	18.9	281.2	197.6	33.6	50.0	77.2	69.2	38.3	30.9	204.0	128.3
1965	325.8	21.2	304.6	212.9	37.2	54.5	81.2	73.1	42.0	31.1	223.4	139.8
1966	347.4	23.3	324.1	223.6	40.3	60.1	84.1	76.1	44.8	31.3	240.0	147.6
1967	370.2	25.5	344.8	236.1	43.9	64.8	88.2	79.9	47.4	32.5	256.6	156.1
1968	397.5	27.5	370.0	251.2	47.3	71.4	93.4	84.4	50.6	33.8	276.6	166.8
1969	425.3	29.5	395.9	266.5	52.3	77.1	100.2	90.2	54.5	35.7	295.7	176.3
1970	451.7	31.2	420.5	280.3	58.0	82.3	109.2	97.3	59.9	37.3	311.3	183.0
1971	499.8	32.9	466.9	307.2	67.3	92.3	120.7	105.2	65.7	39.5	346.2	202.0
1972	564.8	35.4	529.4	345.3	76.7	107.3	131.1	113.0	68.2	44.7	398.3	232.3
1973	635.0	39.3	595.6	384.6	85.4	125.6	135.0	116.2	66.2	50.0	460.6	268.4
1974	688.5	44.3	644.2	411.6	91.7	141.0	140.3	121.3	65.1	56.2	504.0	290.3
1975 p	738.4	49.0	689.4	440.2	96.3	152.9	149.6	128.9	67.0	61.9	539.8	311.3
1973: I	579.3	36.4	542.9	353.5	78.4	111.0	132.5	113.7	67.9	45.8	410.4	239.8
II	600.0	37.7	562.3	365.5	81.0	115.8	133.6	114.7	67.5	47.2	428.7	250.8
III	619.8	38.6	581.2	377.0	83.6	120.6	133.8	115.1	66.9	48.2	447.4	261.9
IV	635.0	39.3	595.6	384.6	85.4	125.6	135.0	116.2	66.2	50.0	460.6	268.4
1974: I	646.1	40.2	605.9	390.0	86.7	129.2	136.7	117.7	66.0	51.7	469.0	272.3
II	664.3	41.8	622.5	400.0	88.3	134.2	137.8	118.4	65.5	52.9	484.7	281.6
III	678.6	43.2	635.4	407.5	89.9	138.0	138.6	119.7	65.1	54.5	496.9	287.8
IV	688.5	44.3	644.2	411.6	91.7	141.0	140.3	121.3	65.1	56.2	504.0	290.3
1975: I	695.0	45.5	649.5	414.8	92.0	142.7	142.0	123.3	65.5	57.7	507.4	291.5
II	708.9	46.9	662.0	424.3	92.3	145.4	142.9	123.7	65.7	58.0	519.1	300.6
III	724.4	48.0	676.4	435.0	93.4	148.0	145.0	125.8	65.9	59.9	531.4	309.2
IV p	738.4	49.0	689.4	440.2	96.3	152.9	149.6	128.9	67.0	61.9	539.8	311.3

[1] Includes negligible amount of farm loans held by savings and loan associations.
[2] Derived figures.

Source: Board of Governors of the Federal Reserve System, estimated and compiled from data supplied by various Government and private organizations.

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TABLE B–61.—*Mortgage debt outstanding by lender, 1939–75*

[Billions of dollars]

End of year or quarter	Total	Private financial institutions					Other lenders	
		Total	Savings and loan associations	Mutual savings banks	Commercial banks[1]	Life insurance companies	Federal and related agencies[2]	Individuals and others
1939	35.5	18.6	3.8	4.8	4.3	5.7	5.0	11.9
1940	36.5	19.5	4.1	4.9	4.6	6.0	4.9	12.0
1941	37.6	20.7	4.6	4.8	4.9	6.4	4.7	12.2
1942	36.7	20.7	4.6	4.6	4.7	6.7	4.3	11.7
1943	35.3	20.2	4.6	4.4	4.5	6.7	3.6	11.5
1944	34.7	20.2	4.8	4.3	4.4	6.7	3.0	11.5
1945	35.5	21.0	5.4	4.2	4.8	6.6	2.4	12.1
1946	41.8	26.0	7.1	4.4	7.2	7.2	2.0	13.8
1947	48.9	31.8	8.9	4.9	9.4	8.7	1.8	15.3
1948	56.2	37.8	10.3	5.8	10.9	10.8	1.9	16.5
1949	62.7	42.9	11.6	6.7	11.6	12.9	2.4	17.4
1950	72.8	51.7	13.7	8.3	13.7	16.1	2.7	18.4
1951	82.3	59.5	15.6	9.9	14.7	19.3	3.4	19.4
1952	91.4	66.9	18.4	11.4	15.9	21.3	4.0	20.5
1953	101.3	75.1	22.0	12.9	16.8	23.3	4.4	21.8
1954	113.7	85.7	26.1	15.0	18.6	26.0	4.6	23.4
1955	129.9	99.3	31.4	17.5	21.0	29.4	5.2	25.4
1956	144.5	111.2	35.7	19.7	22.7	33.0	6.0	27.3
1957	156.5	119.7	40.0	21.2	23.3	35.2	7.5	29.3
1958	171.8	131.5	45.6	23.3	25.5	37.1	7.8	32.5
1959	190.8	145.5	53.1	25.0	28.1	39.2	10.0	35.4
1960	206.8	157.6	60.1	26.9	28.8	41.8	11.2	38.0
1961	226.3	172.6	68.8	29.1	30.4	44.2	11.8	41.9
1962	248.6	192.5	78.8	32.3	34.5	46.9	12.2	44.0
1963	274.3	217.1	90.9	36.2	39.4	50.5	11.2	45.9
1964	300.1	241.0	101.3	40.6	44.0	55.2	11.4	47.7
1965	325.8	264.6	110.3	44.6	49.7	60.0	12.4	48.7
1966	347.4	280.8	114.4	47.3	54.4	64.6	15.8	50.9
1967	370.2	298.8	121.8	50.5	59.0	67.5	18.4	53.0
1968	397.5	319.9	130.8	53.5	65.7	70.0	21.7	55.8
1969	425.3	339.1	140.2	56.1	70.7	72.0	26.8	59.4
1970	451.7	355.9	150.3	57.9	73.3	74.4	33.0	62.8
1971	499.8	394.2	174.3	62.0	82.5	75.5	39.4	66.2
1972	564.8	450.0	206.2	67.6	99.3	76.9	45.8	69.0
1973	635.0	505.4	231.7	73.2	119.1	81.4	55.7	73.9
1974	688.6	542.6	249.3	74.9	132.1	86.2	72.3	73.7
1975 p	738.4	579.4	278.2	77.0	135.1	89.1	88.1	70.9
1973: I	579.3	462.6	212.9	68.9	103.5	77.2	47.3	69.5
II	600.0	480.1	222.3	70.6	109.1	78.0	49.0	71.0
III	619.8	494.9	228.9	72.0	114.8	79.2	53.0	71.9
IV	635.0	505.4	231.7	73.2	119.1	81.4	55.7	73.9
1974: I	646.1	514.1	236.1	73.9	121.9	82.2	58.3	73.7
II	664.3	528.2	243.4	74.2	127.3	83.2	62.6	73.5
III	678.6	537.4	247.6	74.8	130.6	84.4	67.8	73.3
IV	688.6	542.6	249.3	74.9	132.1	86.2	72.3	73.7
1975: I	695.0	546.7	252.4	75.2	131.9	87.2	75.8	72.5
II	708.9	558.2	261.3	75.8	133.0	88.0	79.7	71.1
III	724.4	569.5	270.6	76.4	134.0	88.5	84.0	70.8
IV p	738.4	579.4	278.2	77.0	135.1	89.1	88.1	70.9

[1] Includes loans held by nondeposit trust companies, but not by bank trust departments.

[2] Includes former Federal National Mortgage Association and new Government National Mortgage Association, as well as Federal Housing Administration, Veterans Administration, Public Housing Administration, Farmers Home Administration, and in earlier years Reconstruction Finance Corporation, Homeowners Loan Corporation, and Federal Farm Mortgage Corporation. Also includes GNMA Pools and U.S.-sponsored agencies such as new FNMA, Federal Land Banks, and Federal Home Loan Mortgage Corporation. Other U.S. agencies (amounts small or current separate data not readily available) included with "individuals and others."

Source: Board of Governors of the Federal Reserve System, based on data from various Government and private organizations

TABLE B–62.—*Net public and private debt, 1929–74* [1]

[Billions of dollars]

End of year	Total	Public			Private							
							Individual and noncorporate					
									Nonfarm			
		Federal Government [2]	Federal financial agencies [3]	State and local governments	Total	Corporate	Total	Farm [4]	Total	Mortgage	Commercial and financial [5]	Consumer
1929	191.9	16.5	.....	13.6	161.8	88.9	72.9	12.2	60.7	31.2	22.4	7.1
1933	168.5	24.3	.....	16.3	127.9	76.9	51.0	9.1	41.9	26.3	11.7	3.9
1939	183.3	42.6	.....	16.4	124.3	73.5	50.8	8.8	42.0	25.0	9.8	7.2
1940	189.8	44.8	.....	16.4	128.6	75.6	53.0	9.1	43.9	26.1	9.5	8.3
1941	211.4	56.3	.....	16.1	139.0	83.4	55.6	9.3	46.3	27.1	10.0	9.2
1942	258.6	101.7	.....	15.4	141.5	91.6	49.9	9.0	40.9	26.8	8.1	6.0
1943	313.2	154.4	.....	14.5	144.3	95.5	48.8	8.2	40.5	26.1	9.5	4.9
1944	370.6	211.9	.....	13.9	144.8	94.1	50.7	7.7	42.9	26.0	11.8	5.1
1945	405.9	252.5	.....	13.4	140.0	85.3	54.7	7.3	47.4	27.0	14.7	5.7
1946	396.6	229.5	.....	13.7	153.4	93.5	59.9	7.6	52.3	31.8	12.1	8.4
1947	415.7	221.7	0.7	15.0	178.3	108.9	69.4	8.6	60.7	37.2	11.9	11.6
1948	431.3	215.3	.6	17.0	198.4	117.8	80.6	10.8	69.7	42.4	12.9	14.4
1949	445.8	217.6	.7	19.1	208.4	118.0	90.4	12.0	78.4	47.1	13.9	17.4
1950	486.2	217.4	.7	21.7	246.4	142.1	104.3	12.3	92.0	54.8	15.8	21.5
1951	519.2	216.9	1.3	24.2	276.8	162.5	114.3	13.7	100.6	61.7	16.2	22.7
1952	550.2	221.5	1.3	27.0	300.4	171.0	129.4	15.2	114.2	68.9	17.8	27.5
1953	581.6	226.8	1.4	30.7	322.7	179.5	143.2	16.8	126.4	76.7	18.4	31.4
1954	605.9	229.1	1.3	35.5	340.0	182.8	157.2	17.5	139.7	86.4	20.8	32.5
1955	665.8	229.6	2.9	41.1	392.2	212.1	180.1	18.7	161.4	98.7	24.0	38.8
1956	698.4	224.3	2.4	44.5	427.2	231.7	195.5	19.4	176.1	109.4	24.4	42.3
1957	728.3	223.0	2.4	48.6	454.3	246.7	207.6	20.2	187.4	118.1	24.3	45.0
1958	769.6	231.0	2.5	53.7	482.4	259.5	222.9	23.2	199.7	128.1	26.5	45.1
1959	833.0	241.4	3.7	59.6	528.3	283.3	245.0	23.8	221.2	141.0	28.7	51.5
1960	874.2	239.8	3.5	64.9	566.1	302.8	263.3	25.1	238.2	151.3	30.8	56.1
1961	930.3	246.7	4.0	70.5	609.1	324.3	284.8	27.5	257.3	164.5	34.8	58.0
1962	996.0	253.6	5.3	77.0	660.1	348.2	311.9	30.2	281.7	180.3	37.6	63.8
1963	1,070.9	257.5	7.2	83.9	722.3	376.4	345.8	33.2	312.6	198.6	42.3	71.7
1964	1,151.6	264.0	7.5	90.4	789.7	409.6	380.1	36.0	344.1	218.9	45.0	80.3
1965	1,243.6	266.4	8.9	98.3	870.0	454.3	415.7	39.3	376.4	236.8	49.7	89.9
1966	1,338.6	271.8	11.2	104.7	950.8	506.6	444.2	42.4	401.8	251.6	53.9	96.2
1967	1,438.1	286.4	9.0	112.8	1,030.0	553.6	476.3	48.3	428.0	266.9	60.3	100.8
1968	1,581.3	291.9	21.5	122.7	1,145.3	631.5	513.8	51.8	462.0	284.9	66.3	110.8
1969	1,736.0	289.3	30.6	133.3	1,282.8	734.2	548.6	55.5	493.1	303.9	68.1	121.1
1970	1,868.5	301.1	38.8	144.8	1,383.8	797.6	586.2	58.7	527.5	332.1	68.2	127.2
1971	2,045.4	325.9	39.9	162.8	1,516.8	869.2	647.6	63.2	584.4	372.8	73.3	138.4
1972	2,283.1	341.2	41.4	176.9	1,723.6	989.4	734.3	67.8	666.5	425.9	82.9	157.6
1973	2,546.2	349.1	59.8	189.5	1,947.8	1,125.9	821.9	77.0	744.9	480.8	83.6	180.5
1974	2,777.3	360.8	76.4	205.6	2,134.4	1,254.2	880.1	87.2	792.9	520.2	82.6	190.1

[1] Net public and private debt is a comprehensive aggregate of the indebtedness of borrowers after eliminating certain types of duplicating government and corporate debt.

[2] Net Federal Government and agency debt is the outstanding debt held by the public, as defined in "The Budget of the United States Government, Fiscal Year 1977."

[3] This comprises the debt of federally sponsored agencies, in which there is no longer any Federal proprietary interest. The obligations of the Federal Land Banks are included beginning with 1947, the debt of the Federal Home Loan Banks is included beginning with 1951, and the debts of the Federal National Mortgage Association, Federal Intermediate Credit Banks, and Banks for Cooperatives are included beginning with 1968.

[4] Farm mortgages and farm production loans. Farmers' financial and consumer debt is included in the nonfarm categories.

[5] Financial debt is debt owed to banks for purchasing or carrying securities, customers' debt to brokers, and debt owed to life insurance companies by policyholders.

Source: Department of Commerce (Bureau of Economic Analysis), based on data from various Federal agencies and other sources.

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TABLE B–63.—*Federal budget receipts and outlays, fiscal years 1929–77*

[Millions of dollars]

Fiscal year	Receipts	Outlays	Surplus or deficit (–)
1929	3,862	3,127	734
1933	1,997	4,598	–2,602
1939	4,979	8,841	–3,862
1940	6,361	9,456	–3,095
1941	8,621	13,634	–5,013
1942	14,350	35,114	–20,764
1943	23,649	78,533	–54,884
1944	44,276	91,280	–47,004
1945	45,216	92,690	–47,474
1946	39,327	55,183	–15,856
1947	38,394	34,532	3,862
1948	41,774	29,773	12,001
1949	39,437	38,834	603
1950	39,485	42,597	–3,112
1951	51,646	45,546	6,100
1952	66,204	67,721	–1,517
1953	69,574	76,107	–6,533
1954	69,719	70,890	–1,170
1955	65,469	68,509	–3,041
1956	74,547	70,460	4,087
1957	79,990	76,741	3,249
1958	79,636	82,575	–2,939
1959	79,249	92,104	–12,855
1960	92,492	92,223	269
1961	94,389	97,795	–3,406
1962	99,676	106,813	–7,137
1963	106,560	111,311	–4,751
1964	112,662	118,584	–5,922
1965	116,833	118,430	–1,596
1966	130,856	134,652	–3,796
1967	149,552	158,254	–8,702
1968	153,671	178,833	–25,161
1969	187,784	184,548	3,236
1970	193,743	196,588	–2,845
1971	188,392	211,425	–23,033
1972	208,649	231,876	–23,227
1973	232,225	246,526	–14,301
1974	264,932	268,392	–3,460
1975	280,997	324,601	–43,604
1976 [1]	297,534	373,535	–76,001
Transition quarter [1]	81,894	97,971	–16,077
1977 [1]	351,262	394,237	–42,975

[1] Estimate.

Note.—Under provisions of the Congressional Budget Act of 1974, the fiscal year for the Federal Government will shift beginning with fiscal year 1977. Through 1976, the fiscal year runs from July 1 through June 30; starting in October 1976 (fiscal year 1977), the fiscal year will run from October 1 through September 30. The 3-month period from July 1, 1976 through September 30, 1976 will be a separate fiscal period known as the transition quarter.

Data for 1929–39 are according to the administrative budget and those beginning 1940 according to the unified budget.

Certain interfund transactions are excluded from receipts and outlays beginning 1932. For years prior to 1932 the amounts of such transactions are not significant.

Refunds of receipts are excluded from receipts and outlays.

Sources: Department of the Treasury and Office of Management and Budget.

TABLE B–64.—*Federal budget receipts, outlays, and debt, fiscal years 1967–77*

[Millions of dollars; fiscal years]

Description	Actual					
	1967	1968	1969	1970	1971	1972
BUDGET RECEIPTS AND OUTLAYS:						
Total receipts	149,552	153,671	187,784	193,743	188,392	208,649
Federal funds	111,835	114,726	143,321	143,158	133,785	148,846
Trust funds	42,935	44,716	52,009	59,362	66,193	72,959
Interfund transactions	−5,218	−5,771	−7,547	−8,778	−11,586	−13,156
Total outlays	158,254	178,833	184,548	196,588	211,425	231,876
Federal funds	126,779	143,105	148,811	156,301	163,651	177,959
Trust funds	36,693	41,499	43,284	49,065	59,361	67,073
Interfund transactions	−5,218	−5,771	−7,547	−8,778	−11,586	−13,156
Total surplus or deficit (−)	−8,702	−25,161	3,236	−2,845	−23,033	−23,227
Federal funds	−14,944	−28,379	−5,490	−13,143	−29,866	−29,114
Trust funds	6,242	3,217	8,725	10,297	6,832	5,886
OUTSTANDING DEBT, END OF YEAR:						
Gross Federal debt	341,348	369,769	367,144	382,603	409,467	437,329
Held by Government agencies	73,819	79,140	87,661	97,723	105,140	113,559
Held by the public	267,529	290,629	279,483	284,880	304,328	323,770
Federal Reserve System	46,719	52,230	54,095	57,714	65,518	71,426
Others	220,810	238,399	225,388	227,166	238,810	252,344
BUDGET RECEIPTS	149,552	153,671	187,784	193,743	188,392	208,649
Individual income taxes	61,526	68,726	87,249	90,412	86,230	94,737
Corporation income taxes	33,971	28,665	36,678	32,829	26,785	32,166
Social insurance taxes and contributions	33,349	34,622	39,918	45,298	48,578	53,914
Excise taxes	13,719	14,079	15,222	15,705	16,614	15,477
Estate and gift taxes	2,978	3,051	3,491	3,644	3,735	5,436
Customs duties	1,901	2,038	2,319	2,430	2,591	3,287
Miscellaneous receipts:						
Deposit of earnings by Federal Reserve System	1,805	2,091	2,662	3,266	3,533	3,252
All other	303	400	247	158	325	381
BUDGET OUTLAYS	158,254	178,833	184,548	196,588	211,425	231,876
National defense	69,101	79,409	80,207	79,284	76,807	77,356
International affairs	4,695	4,612	3,784	3,564	3,093	3,723
General science, space, and technology	6,231	5,522	5,016	4,508	4,180	4,174
Natural resources, environment, and energy	3,697	4,010	3,901	4,043	4,941	5,521
Agriculture	2,982	4,541	5,779	5,164	4,288	5,279
Commerce and transportation	9,205	10,637	7,065	9,090	10,396	10,601
Community and regional development	1,412	1,891	2,224	3,166	3,632	4,325
Education, training, employment, and social services	6,023	7,004	6,871	7,888	9,045	11,694
Health	6,759	9,708	11,758	13,051	14,716	17,471
Income security	30,821	33,680	37,281	43,066	55,423	63,911
Veterans benefits and services	6,899	6,882	7,640	8,677	9,776	10,730
Law enforcement and justice	610	650	761	952	1,299	1,650
General government	1,569	1,684	1,649	1,940	2,159	2,466
Revenue sharing and general purpose fiscal assistance	288	311	365	451	488	531
Interest	12,533	13,751	15,793	18,312	19,609	20,582
Allowances						
Undistributed offsetting receipts	−4,573	−5,460	−5,545	−6,567	−8,427	−8,137
Composition of undistributed offsetting receipts:						
Employer share, employee retirement	−1,661	−1,825	−2,018	−2,444	−2,611	−2,768
Interest received by trust funds	−2,275	−2,674	−3,099	−3,936	−4,765	−5,089
Rents and royalties on the Outer Continental Shelf	−637	−961	−428	−187	−1,051	−279

See next page for continuation of table and for footnotes.

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TABLE B–64.—*Federal budget receipts, outlays, and debt, fiscal years 1967–77*—Con.

[Millions of dollars; fiscal years]

Description	Actual			Estimate		
	1973	1974	1975	1976	Transition quarter	1977
BUDGET RECEIPTS AND OUTLAYS:						
Total receipts	232,225	264,932	280,997	297,534	81,894	351,262
Federal funds	161,357	181,219	187,505	198,373	54,758	230,755
Trust funds	92,193	104,846	118,590	134,754	33,783	157,684
Interfund transactions	−21,325	−21,133	−25,098	−35,593	−6,647	−37,177
Total outlays	246,526	268,392	324,601	373,535	97,971	394,237
Federal funds	186,403	198,692	238,527	276,923	69,764	286,243
Trust funds	81,447	90,833	111,171	132,205	34,855	145,171
Interfund transactions	−21,325	−21,133	−25,098	−35,593	−6,647	−37,177
Total surplus or deficit (−)	−14,301	−3,460	−43,604	−76,001	−16,077	−42,975
Federal funds	−25,046	−17,473	−51,023	−78,550	−15,006	−55,488
Trust funds	10,746	14,013	7,419	2,549	−1,072	12,513
OUTSTANDING DEBT, END OF YEAR:						
Gross Federal debt	468,426	486,247	544,131	633,931	652,799	719,511
Held by Government agencies	125,381	140,194	147,225	149,525	148,393	161,265
Held by the public	343,045	346,053	396,906	484,406	504,406	558,246
Federal Reserve System	75,182	80,649	84,993			
Others	267,863	265,404	311,913			
BUDGET RECEIPTS	232,225	264,932	280,997	297,534	81,894	351,262
Individual income taxes	103,246	118,952	122,386	130,822	40,003	153,641
Corporation income taxes	36,153	38,620	40,621	40,056	8,416	49,461
Social insurance taxes and contributions	64,542	76,780	86,441	92,571	25,174	113,052
Excise taxes	16,260	16,844	16,551	16,901	4,371	17,806
Estate and gift taxes	4,917	5,035	4,611	5,100	1,400	5,800
Customs duties	3,188	3,334	3,676	3,800	1,000	4,300
Miscellaneous receipts:						
Deposit of earnings by Federal Reserve System	3,495	4,845	5,777	5,550	1,350	6,200
All other	426	524	934	2,734	180	1,002
BUDGET OUTLAYS	246,526	268,392	324,601	373,535	97,971	394,237
National defense	75,072	78,569	86,585	92,759	25,028	101,129
International affairs	2,956	3,593	4,358	5,665	1,334	6,824
General science, space, and technology	4,030	3,977	3,989	4,311	1,157	4,507
Natural resources, environment, and energy	5,947	6,571	9,537	11,796	3,289	13,772
Agriculture	4,855	2,230	1,660	2,875	742	1,729
Commerce and transportation	9,930	13,096	16,010	17,801	4,819	16,498
Community and regional development	5,529	4,911	4,431	5,802	1,529	5,532
Education, training, employment, and social services	11,874	11,598	15,248	18,900	4,403	16,615
Health	18,832	22,074	27,647	32,137	8,291	34,393
Income security	72,958	84,431	108,605	128,509	32,742	137,115
Veterans benefits and services	12,013	13,386	16,597	19,035	4,362	17,196
Law enforcement and justice	2,131	2,462	2,942	3,402	914	3,426
General government	2,682	3,327	3,089	3,547	961	3,433
Revenue sharing and general purpose fiscal assistance	7,222	6,746	7,005	7,169	2,046	7,351
Interest	22,813	28,072	30,974	34,835	9,769	41,297
Allowances				200	175	2,260
Undistributed offsetting receipts	−12,318	−16,651	−14,075	−15,208	−3,589	−18,840
Composition of undistributed offsetting receipts:						
Employer share, employee retirement	−2,927	−3,319	−3,980	−4,193	−979	−4,468
Interest received by trust funds	−5,436	−6,583	−7,667	−8,015	−2,110	−8,373
Rents and royalties on the Outer Continental Shelf	−3,956	−6,748	−2,428	−3,000	−500	−6,000

Note.—Under provisions of the Congressional Budget Act of 1974, the fiscal year for the Federal Government will shift beginning with fiscal year 1977. Through 1976, the fiscal year runs from July 1 through June 30; starting in October 1976 (fiscal year 1977), the fiscal year will run from October 1 through September 30. The 3-month period from July 1, 1976 through September 30, 1976 will be a separate fiscal period known as the transition quarter.

Sources: Department of the Treasury and Office of Management and Budget.

TABLE B–65.—*Relation of the Federal budget to the Federal sector of the national income and product accounts, fiscal years, 1975–77*

[Billions of dollars; fiscal years]

Receipts and expenditures	1975 actual	Estimate		
		1976	Transition quarter	1977
RECEIPTS				
Total budget receipts	281.0	297.5	81.9	351.3
Government contribution for employee retirement (grossing)	5.1	5.6	1.5	6.1
Other netting and grossing	2.4	2.4	.6	2.7
Adjustment to accruals	−6.4	3.0	2.7	5.5
Other	−.7	−1.1	−.2	−.9
Federal sector, national income and product accounts, receipts	281.5	307.4	86.5	364.7
EXPENDITURES				
Total budget outlays	324.6	373.5	98.0	394.2
Lending and financial transactions	−4.8	−5.4	−1.2	−3.2
Government contribution for employee retirement (grossing)	5.1	5.6	1.5	6.1
Other netting and grossing	2.4	2.4	.6	2.7
Defense timing adjustment	−.6	.5	−1.5	−.5
Bonuses on Outer Continental Shelf land leases	2.0	2.6	.3	5.4
Other	−.1	−.5	−.5	−.2
Federal sector, national income and product accounts, expenditures	328.7	378.7	97.2	404.5

Note.—See Note, Table B–64.
See Special Analysis A, "Special Analyses, Budget of the United States Government, Fiscal Year 1977" for description of these categories.

Sources: Department of Commerce (Bureau of Economic Analysis), Department of the Treasury, and Office of Management and Budget.

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TABLE B–66.—*Receipts and expenditures of the government sector of the national income and product accounts, 1946–75*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Calendar year or quarter	Total government			Federal Government			State and local government		
	Receipts	Expenditures	Surplus or deficit (−), national income and product accounts	Receipts	Expenditures	Surplus or deficit (−), national income and product accounts	Receipts	Expenditures	Surplus or deficit (−), national income and product accounts
1946	51.0	45.6	5.4	39.1	35.6	3.5	13.0	11.1	1.9
1947	56.9	42.5	14.4	43.2	29.8	13.4	15.4	14.4	1.0
1948	58.9	50.5	8.4	43.2	34.9	8.3	17.7	17.6	.1
1949	55.9	59.3	−3.4	38.7	41.3	−2.6	19.5	20.2	−.7
1950	69.0	61.0	8.0	50.0	40.8	9.2	21.3	22.5	−1.2
1951	85.2	79.2	6.1	64.3	57.8	6.5	23.4	23.9	−.4
1952	90.1	93.9	−3.8	67.3	71.1	−3.7	25.4	25.5	−.0
1953	94.6	101.6	−6.9	70.0	77.1	−7.1	27.4	27.3	.1
1954	89.9	97.0	−7.1	63.7	69.8	−6.0	29.0	30.2	−1.1
1955	101.1	98.0	3.1	72.6	68.1	4.4	31.7	32.9	−1.3
1956	109.7	104.5	5.2	78.0	71.9	6.1	35.0	35.9	−.9
1957	116.2	115.3	.9	81.9	79.6	2.3	38.5	39.8	−1.4
1958	115.0	127.6	−12.6	78.7	88.9	−10.3	42.0	44.3	−2.4
1959	129.4	131.0	−1.6	89.8	91.0	−1.1	46.4	46.9	−.4
1960	139.5	136.4	3.1	96.1	93.1	3.0	49.9	49.8	.1
1961	144.8	149.1	−4.3	98.1	101.9	−3.9	54.0	54.4	−.4
1962	156.7	160.5	−3.8	106.2	110.4	−4.2	58.5	58.0	.5
1963	168.5	167.8	.7	114.4	114.2	.3	63.2	62.8	.5
1964	174.0	176.3	−2.3	114.9	118.2	−3.3	69.5	68.5	1.0
1965	188.3	187.8	.5	124.3	123.8	.5	75.1	75.1	−.0
1966	212.3	213.6	−1.3	141.8	143.6	−1.8	84.8	84.3	.5
1967	228.2	242.4	−14.2	150.5	163.7	−13.2	93.6	94.7	−1.1
1968	263.4	268.9	−5.5	174.7	180.6	−5.8	107.2	106.9	.3
1969	296.3	285.6	10.7	197.0	188.4	8.5	119.7	117.6	2.1
1970	302.6	311.9	−9.4	192.1	204.2	−12.1	134.9	132.2	2.8
1971	322.2	340.5	−18.3	198.6	220.6	−22.0	152.6	148.9	3.7
1972	367.4	370.9	−3.5	227.5	244.7	−17.3	177.4	163.7	13.7
1973	411.1	405.1	6.0	257.9	264.8	−6.9	193.8	180.9	12.9
1974	453.9	457.5	−3.6	288.4	300.1	−11.7	209.4	201.3	8.1
1975 p	461.7	525.1	−63.5	283.5	356.9	−73.4	232.4	222.4	10.0
1973: I	399.5	394.5	5.0	250.8	261.7	−10.9	190.3	174.4	15.9
II	406.5	400.6	5.8	254.8	262.1	−7.4	192.1	178.9	13.2
III	414.9	407.2	7.7	259.8	264.5	−4.8	195.2	182.8	12.4
IV	423.6	418.1	5.5	266.2	270.8	−4.6	197.6	187.5	10.1
1974: I	434.9	431.0	4.0	275.7	281.1	−5.3	201.9	192.6	9.4
II	449.5	449.2	.3	285.6	293.5	−7.9	207.3	199.1	8.2
III	468.7	467.7	1.0	299.2	307.2	−8.0	213.5	204.5	9.1
IV	462.6	482.2	−19.6	293.1	318.6	−25.5	214.9	209.0	5.9
1975: I	454.7	502.8	−48.0	283.6	337.4	−53.7	221.2	215.5	5.7
II	425.5	518.9	−93.4	250.1	352.3	−102.2	228.2	219.4	8.8
III	474.2	531.8	−57.6	293.3	363.8	−70.5	237.7	224.8	12.9
IV p	.....	547.0	.....	.....	374.2	.....	.....	229.9	.....

Note.—Federal grants-in-aid to State and local governments are reflected in Federal expenditures and State and local receipts and expenditures. Total government receipts and expenditures have been adjusted to eliminate this duplication.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-67.—*Receipts and expenditures of the Federal Government sector of the national income and product accounts, 1949–77*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Receipts					Expenditures							Surplus or deficit (−), national income and product accounts
								Transfer payments					
	Total	Personal tax and nontax receipts	Corporate profits tax accruals	Indirect business tax and nontax accruals	Contributions for social insurance	Total [1]	Purchases of goods and services	To persons	To foreigners	Grants-in-aid to State and local governments	Net interest paid	Subsidies less current surplus of government enterprises	
Fiscal year:													
1951	61.1	23.2	21.7	9.5	6.7	44.7	25.7	8.1	3.1	2.4	4.4	1.0	16.4
1952	65.2	28.8	19.4	9.7	7.3	66.0	47.2	8.5	2.6	2.5	4.5	.8	−.8
1953	69.4	31.4	19.7	10.7	7.6	75.9	56.4	9.2	2.1	2.8	4.5	.9	−6.5
1954	65.8	30.3	17.3	10.4	7.8	74.3	53.9	10.5	1.7	2.9	4.6	.8	−8.5
1955	67.4	29.7	18.9	10.0	8.7	67.2	44.3	12.1	2.1	3.0	4.6	1.2	.2
1956	76.3	33.6	21.5	10.8	10.3	70.0	45.5	12.8	1.8	3.2	4.8	1.7	6.3
1957	81.0	36.7	20.8	11.7	11.7	76.0	48.1	14.4	1.9	3.7	5.3	2.6	5.0
1958	78.1	36.3	17.9	11.6	12.3	82.8	51.1	17.8	1.7	4.7	5.4	2.4	−4.7
1959	85.4	38.2	21.4	12.0	13.9	91.2	54.8	19.9	1.8	6.2	5.6	2.5	−5.8
1960	94.8	42.5	22.3	13.2	16.7	91.3	52.9	20.6	1.8	6.9	6.8	2.4	3.4
1961	95.0	43.6	20.0	13.3	18.1	98.1	55.8	23.6	2.1	6.9	6.4	3.3	−3.1
1962	104.0	47.3	22.7	14.2	19.9	106.2	61.0	25.1	2.1	7.6	6.4	4.1	−2.2
1963	110.0	49.6	23.3	15.0	22.1	111.7	63.7	26.5	2.1	8.3	7.1	4.0	−1.7
1964	115.6	50.7	25.7	15.6	23.6	117.2	65.9	27.4	2.2	9.8	7.7	4.1	−1.5
1965	120.0	51.4	27.1	16.9	24.5	118.5	64.6	28.4	2.2	10.9	8.2	4.3	1.4
1966	132.7	57.5	30.8	15.5	28.9	132.7	72.4	31.8	2.3	12.7	8.7	4.8	.0
1967	146.0	64.4	30.3	15.8	35.5	154.9	86.0	37.2	2.2	14.8	9.6	5.2	−8.9
1968	160.0	71.4	33.2	17.1	38.4	172.2	95.0	42.7	2.1	17.8	10.5	4.1	−12.2
1969	190.1	90.0	37.0	18.6	44.5	184.7	98.0	48.7	2.2	19.2	12.1	4.6	5.4
1970	194.9	93.6	33.0	19.2	49.2	195.6	97.0	55.0	2.0	22.6	13.6	5.4	−.6
1971	192.5	87.5	32.0	20.0	52.9	212.7	94.8	67.7	2.3	26.8	14.2	6.8	−20.2
1972	213.5	100.3	34.2	19.9	59.1	232.9	100.9	76.1	2.8	32.6	14.1	6.4	−19.5
1973	240.0	107.3	40.5	20.7	71.5	256.1	101.5	87.1	2.7	40.4	15.9	9.1	−16.1
1974	271.6	122.9	43.6	21.4	83.7	278.7	104.5	101.7	3.0	41.6	19.8	7.9	−7.1
1975	281.5	126.4	40.6	22.4	92.0	328.7	117.6	131.7	3.1	48.3	22.0	5.7	−47.2
1976 [2]	307.4	136.4	47.5	24.0	99.5	378.7	130.0	155.1	3.6	57.8	26.0	6.2	−71.3
1977 [2]	364.7	160.4	58.2	24.3	121.8	404.5	139.4	164.4	3.8	59.3	32.0	5.6	−39.8
Calendar year:													
1949	38.7	16.1	9.6	8.0	5.0	41.3	20.4	8.7	5.1	2.2	4.3	.6	−2.6
1950	50.0	18.1	17.2	8.9	5.9	40.8	18.7	10.8	3.6	2.3	4.4	1.0	9.2
1951	64.3	26.1	21.7	9.4	7.1	57.8	38.3	8.5	3.1	2.5	4.4	.9	6.5
1952	67.3	31.0	18.6	10.3	7.4	71.1	52.4	8.8	2.1	2.6	4.5	.8	−3.7
1953	70.0	32.2	19.5	10.9	7.4	77.1	57.5	9.4	2.0	2.8	4.6	.7	−7.1
1954	63.7	29.0	16.9	9.7	8.2	69.8	47.9	11.5	1.8	2.9	4.6	1.0	−6.0
1955	72.6	31.4	21.1	10.7	9.4	68.1	44.5	12.4	2.0	3.1	4.6	1.5	4.4
1956	78.0	35.2	20.9	11.2	10.6	71.9	45.9	13.4	1.9	3.3	5.1	2.4	6.1
1957	81.9	37.4	20.4	11.8	12.3	79.6	50.0	15.7	1.8	4.2	5.5	2.4	2.3
1958	78.7	36.8	18.0	11.5	12.4	88.9	53.9	19.6	1.8	5.6	5.2	2.8	−10.3
1959	89.8	39.9	22.5	12.5	14.9	91.0	53.9	20.1	1.8	6.8	6.2	2.1	−1.1
1960	96.1	43.6	21.4	13.4	17.6	93.1	53.7	21.6	1.9	6.5	6.8	2.6	3.0
1961	98.1	44.7	21.5	13.6	18.3	101.9	57.4	25.0	2.1	7.2	6.2	4.0	−3.9
1962	106.2	48.6	22.5	14.6	20.5	110.4	63.7	25.6	2.2	8.0	6.8	4.2	−4.2
1963	114.4	51.5	24.6	15.3	23.1	114.2	64.6	27.0	2.2	9.1	7.3	3.9	.3
1964	114.9	48.6	26.1	16.2	24.0	118.2	65.2	27.9	2.2	10.4	8.0	4.5	−3.3
1965	124.3	53.9	28.9	16.5	25.0	123.8	67.3	30.3	2.2	11.1	8.4	4.6	.5
1966	141.8	61.7	31.4	15.6	33.1	143.6	78.8	33.5	2.3	14.4	9.2	5.5	−1.8
1967	150.5	67.5	30.0	16.3	36.7	163.7	90.9	40.1	2.2	15.9	9.8	4.7	−13.2
1968	174.7	79.6	36.3	18.0	40.8	180.6	98.0	46.0	2.1	18.6	11.4	4.5	−5.8
1969	197.0	94.8	36.2	19.0	47.0	188.4	97.5	50.6	2.1	20.3	12.9	5.2	8.5
1970	192.1	92.2	30.8	19.3	49.7	204.2	95.6	61.3	2.2	24.4	14.3	6.3	−12.1
1971	198.6	89.9	33.5	20.4	54.9	220.6	96.2	72.7	2.6	29.0	14.0	6.2	−22.0
1972	227.5	108.2	36.6	20.0	62.8	244.7	102.1	80.5	2.7	37.5	14.6	7.8	−17.3
1973	257.9	114.7	42.5	21.2	79.4	264.8	102.0	93.2	2.6	40.6	18.2	8.2	−6.9
1974	288.4	131.4	45.9	21.7	89.4	300.1	111.7	114.5	3.2	43.9	21.0	5.2	−11.7
1975 [p]	283.5	125.6	40.2	24.2	93.5	356.9	123.1	146.1	3.0	54.2	23.5	6.8	−73.4
1974: I	275.7	124.2	43.1	21.3	87.2	281.1	106.1	104.2	2.8	42.7	19.9	5.3	−5.3
II	285.6	129.5	45.8	21.7	88.6	293.5	108.9	111.0	3.9	43.4	20.8	5.0	−7.9
III	299.2	134.6	51.8	22.1	90.8	307.2	113.6	118.0	3.2	44.0	21.4	5.5	−8.0
IV	293.1	137.4	42.9	21.7	91.1	318.6	118.2	124.8	3.0	45.4	22.0	5.1	−25.5
1975: I	283.6	137.6	32.1	22.3	91.7	337.4	119.4	136.2	3.0	50.1	22.4	6.3	−53.7
II	250.1	99.3	35.5	23.5	91.9	352.3	119.2	147.3	3.2	52.8	22.6	7.1	−102.2
III	293.3	130.5	43.4	25.5	93.9	363.8	124.2	149.5	3.0	56.8	23.4	6.9	−70.5
IV [p]	------	135.2	------	25.4	96.4	374.2	129.8	151.5	3.1	57.1	25.7	7.0	------

[1] Wage accruals less disbursements have been subtracted from total. These were (in billions of dollars at seasonally adjusted annual rates) .0, −.6, −1.5, and .0 in the 4 quarters of 1974, and .0 in each of the 4 quarters of 1975.

[2] Estimates.

Sources: Department of Commerce (Bureau of Economic Analysis) and Office of Management and Budget.

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TABLE B–68.—*Receipts and expenditures of the State and local government sector of the national income and product accounts, 1946–75*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Calendar year or quarter	Receipts						Expenditures					Surplus or deficit (—), national income and product accounts
	Total	Personal tax and nontax receipts	Corporate profits tax accruals	Indirect business tax and nontax accruals	Contributions for social insurance	Federal grants-in-aid	Total [1]	Purchases of goods and services	Transfer payments to persons	Net interest paid	Subsidies less current surplus of government enterprises	
1946	13.0	1.5	0.5	9.3	0.6	1.1	11.1	9.9	1.7	0.2	−0.7	1.9
1947	15.4	1.7	.6	10.7	.7	1.7	14.4	12.8	2.3	.1	−.8	1.0
1948	17.7	2.1	.7	12.2	.8	2.0	17.6	15.3	3.0	.1	−.8	.1
1949	19.5	2.4	.6	13.3	.9	2.2	20.2	18.0	3.0	.1	−.9	−.7
1950	21.3	2.5	.8	14.6	1.1	2.3	22.5	19.8	3.6	.1	−.9	−1.2
1951	23.4	2.8	.9	15.9	1.4	2.5	23.9	21.8	3.1	.0	−1.0	−.4
1952	25.4	3.0	.8	17.4	1.6	2.6	25.5	23.2	3.3	.0	−1.1	−.0
1953	27.4	3.2	.8	18.8	1.7	2.8	27.3	25.0	3.5	.0	−1.2	.1
1954	29.0	3.5	.8	19.9	2.0	2.9	30.2	27.8	3.6	.1	−1.3	−1.1
1955	31.7	3.9	1.0	21.6	2.1	3.1	32.9	30.6	3.8	.1	−1.5	−1.3
1956	35.0	4.5	1.0	23.8	2.3	3.3	35.9	33.5	3.9	.1	−1.6	−.9
1957	38.5	5.0	1.0	25.7	2.6	4.2	39.8	37.1	4.3	.1	−1.7	−1.4
1958	42.0	5.4	1.0	27.2	2.8	5.6	44.3	41.1	4.8	.1	−1.7	−2.4
1959	46.4	6.1	1.2	29.3	3.1	6.8	46.9	43.7	5.1	.1	−2.0	−.4
1960	49.9	6.7	1.2	32.0	3.4	6.5	49.8	46.5	5.4	.1	−2.2	.1
1961	54.0	7.4	1.3	34.4	3.7	7.2	54.4	50.8	5.8	.1	−2.3	−.4
1962	58.5	8.2	1.5	37.0	3.9	8.0	58.0	54.3	6.0	.1	−2.5	.5
1963	63.2	8.8	1.7	39.4	4.2	9.1	62.8	59.0	6.4	.1	−2.8	.5
1964	69.5	10.0	1.8	42.6	4.7	10.4	68.5	64.6	6.9	−.1	−2.8	1.0
1965	75.1	10.9	2.0	46.1	5.0	11.1	75.1	71.1	7.3	−.3	−3.0	−.0
1966	84.8	12.8	2.2	49.7	5.7	14.4	84.3	79.8	8.1	−.7	−3.0	.5
1967	93.6	14.6	2.5	54.0	6.7	15.9	94.7	89.3	9.4	−.9	−3.1	−1.1
1968	107.2	17.4	3.1	60.8	7.2	18.6	106.9	100.7	10.6	−1.2	−3.2	.3
1969	119.7	20.6	3.4	67.4	7.9	20.3	117.6	110.4	12.1	−1.6	−3.3	2.1
1970	134.9	23.1	3.7	74.7	9.0	24.4	132.2	123.2	14.6	−2.0	−3.6	2.8
1971	152.6	26.4	4.2	83.1	9.9	29.0	148.9	137.5	17.2	−1.8	−3.8	3.7
1972	177.4	33.0	5.0	91.0	10.8	37.5	163.7	151.0	18.9	−2.1	−4.2	13.7
1973	193.8	36.5	5.7	99.0	12.1	40.6	180.9	168.0	20.3	−2.9	−4.5	12.9
1974	209.4	39.8	6.7	105.6	13.5	43.9	201.3	189.4	20.0	−3.6	−4.5	8.1
1975 p	232.4	43.5	6.8	113.0	14.8	54.2	222.4	207.8	22.5	−3.0	−4.9	10.0
1973: I	190.3	34.7	5.7	96.8	11.5	41.6	174.4	161.6	19.8	−2.6	−4.5	15.9
II	192.1	35.7	5.8	98.3	11.9	40.4	178.9	165.8	20.1	−2.5	−4.5	13.2
III	195.2	37.2	5.6	100.1	12.3	40.1	182.8	170.0	20.4	−3.0	−4.6	12.4
IV	197.6	38.3	5.7	100.8	12.6	40.2	187.5	174.5	20.9	−3.4	−4.4	10.1
1974: I	201.9	37.9	6.3	102.1	12.9	42.7	192.6	181.4	19.3	−3.7	−4.3	9.4
II	207.3	38.9	6.7	104.9	13.3	43.4	199.1	187.6	19.7	−3.7	−4.5	8.2
III	213.5	40.7	7.6	107.6	13.7	44.0	204.5	192.3	20.4	−3.6	−4.6	9.1
IV	214.9	41.5	6.3	107.8	14.0	45.4	209.0	196.3	20.7	−3.3	−4.7	5.9
1975: I	221.2	42.0	5.5	109.3	14.3	50.1	215.5	201.9	21.5	−3.2	−4.7	5.7
II	228.2	42.9	6.1	111.8	14.7	52.8	219.4	205.5	22.1	−3.2	−4.9	8.8
III	237.7	44.1	7.3	114.5	15.0	56.8	224.8	209.9	22.9	−2.9	−5.0	12.9
IV p	------	45.2	------	116.4	15.3	57.1	229.9	214.1	23.7	−2.8	−5.1	------

[1] Wage accruals less disbursements have been subtracted from total. These were (in billions of dollars, at seasonally adjusted annual rates) .0, —.1, .0, and .0 in the 4 quarters of 1973 and .0 in each of the quarters of 1974 and 1975.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–69.—*State and local government revenues and expenditures, selected fiscal years, 1927–74*

[Millions of dollars]

Fiscal year [1]	General revenues by source [2]							General expenditures by function [3]				
	Total	Property taxes	Sales and gross receipts taxes	Individual income taxes	Corporation net income taxes	Revenue from Federal Government	All other revenues [3]	Total	Education	Highways	Public welfare	All other [4]
1927	7,271	4,730	470	70	92	116	1,793	7,210	2,235	1,809	151	3,015
1932	7,267	4,487	752	74	79	232	1,643	7,765	2,311	1,741	444	3,269
1934	7,678	4,076	1,008	80	49	1,016	1,449	7,181	1,831	1,509	889	2,952
1936	8,395	4,093	1,484	153	113	948	1,604	7,644	2,177	1,425	827	3,215
1938	9,228	4,440	1,794	218	165	800	1,811	8,757	2,491	1,650	1,069	3,547
1940	9,609	4,430	1,982	224	156	945	1,872	9,229	2,638	1,573	1,156	3,862
1942	10,418	4,537	2,351	276	272	858	2,123	9,190	2,586	1,490	1,225	3,889
1944	10,908	4,604	2,289	342	451	954	2,269	8,863	2,793	1,200	1,133	3,737
1946	12,356	4,986	2,986	422	447	855	2,661	11,028	3,356	1,672	1,409	4,591
1948	17,250	6,126	4,442	543	592	1,861	3,685	17,684	5,379	3,036	2,099	7,170
1950	20,911	7,349	5,154	788	593	2,486	4,541	22,787	7,177	3,803	2,940	8,867
1952	25,181	8,652	6,357	998	846	2,566	5,763	26,098	8,318	4,650	2,788	10,342
1953	27,307	9,375	6,927	1,065	817	2,870	6,252	27,910	9,390	4,987	2,914	10,619
1954	29,012	9,967	7,276	1,127	778	2,966	6,897	30,701	10,557	5,527	3,060	11,557
1955	31,073	10,735	7,643	1,237	744	3,131	7,584	33,724	11,907	6,452	3,168	12,197
1956	34,667	11,749	8,691	1,538	890	3,335	8,465	36,711	13,220	6,953	3,139	13,399
1957	38,164	12,864	9,467	1,754	984	3,843	9,250	40,375	14,134	7,816	3,485	14,940
1958	41,219	14,047	9,829	1,759	1,018	4,865	9,699	44,851	15,919	8,567	3,818	16,547
1959	45,306	14,983	10,437	1,994	1,001	6,377	10,516	48,887	17,283	9,592	4,136	17,876
1960	50,505	16,405	11,849	2,463	1,180	6,974	11,634	51,876	18,719	9,428	4,404	19,325
1961	54,037	18,002	12,463	2,613	1,266	7,131	12,563	56,201	20,574	9,844	4,720	21,063
1962	58,252	19,054	13,494	3,037	1,308	7,871	13,489	60,206	22,216	10,357	5,084	22,549
1963	62,890	20,089	14,456	3,269	1,505	8,722	14,850	64,816	23,776	11,136	5,481	24,423
1962–63 [5]	62,269	19,833	14,446	3,267	1,505	8,663	14,556	63,977	23,729	11,150	5,420	23,678
1963–64 [5]	68,443	21,241	15,762	3,791	1,695	10,002	15,951	69,302	26,286	11,664	5,766	25,586
1964–65 [5]	74,000	22,583	17,118	4,090	1,929	11,029	17,250	74,546	28,563	12,221	6,315	27,447
1965–66 [5]	83,036	24,670	19,085	4,760	2,038	13,214	19,269	82,843	33,287	12,770	6,757	30,029
1966–67 [5]	91,197	26,047	20,530	5,826	2,227	15,370	21,197	93,350	37,919	13,932	8,218	33,281
1967–68 [5]	101,264	27,747	22,911	7,308	2,518	17,181	23,598	102,411	41,158	14,481	9,857	36,915
1968–69 [5]	114,550	30,673	26,519	8,908	3,180	19,153	26,118	116,728	47,238	15,417	12,110	41,963
1969–70 [5]	130,756	34,054	30,322	10,812	3,738	21,857	29,971	131,332	52,718	16,427	14,679	47,508
1970–71 [5]	144,927	37,852	33,233	11,900	3,424	26,146	32,374	150,674	59,413	18,095	18,226	54,940
1971–72 [5]	166,352	42,133	37,488	15,237	4,416	31,253	35,826	166,873	64,886	19,010	21,070	61,907
1972–73 [5]	190,214	45,283	42,047	17,994	5,425	39,256	40,210	181,227	69,714	18,615	23,582	69,316
1973–74 [5]	207,730	47,754	46,098	19,491	6,015	41,831	46,541	198,959	75,833	19,946	25,085	78,096

[1] Fiscal years not the same for all governments. See footnote 5.

[2] Excludes revenues or expenditures of publicly owned utilities and liquor stores, and of insurance-trust activities. Intergovernmental receipts and payments between State and local governments are also excluded.

[3] Includes licenses and other taxes and charges and miscellaneous revenues.

[4] Includes expenditures for health, hospitals, police, local fire protection, natural resources, sanitation, housing and urban renewal, local parks and recreation, general control, financial administration, interest on general debt, and unallocable expenditures.

[5] Data for fiscal year ending in the 12-month period through June 30. Data for 1963 and earlier years include local government amounts grouped in terms of fiscal years ended during the particular calendar year.

Note.—Data are not available for intervening years.
See Table B–62 for net debt of State and local governments.

Source: Department of Commerce, Bureau of the Census.

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TABLE B–70.—*Public debt securities by kind of obligation, 1946–75*

[Billions of dollars]

End of year or month	Total public debt securities	Interest-bearing public debt							Matured public debt and debt bearing no interest
		Marketable public issues by maturity class			Nonmarketable public issues			Government account series [1]	
		Within 1 year	1 to 10 years	10 years and over	U.S. savings bonds and notes	Foreign and international	Other		
1946	259.1	54.8	61.7	60.1	49.8	.....	6.7	24.6	1.5
1947	256.9	49.6	56.1	60.0	52.1	.....	7.4	29.0	2.7
1948	252.8	44.6	55.1	57.7	55.1	.....	6.3	31.7	2.2
1949	257.1	49.4	51.8	53.9	56.7	.....	9.3	33.9	2.1
1950	256.7	49.4	50.5	52.5	58.0	.....	10.1	33.7	2.4
1951	259.4	47.1	56.7	38.8	57.6	.....	20.9	35.9	2.3
1952	267.4	57.7	62.2	28.7	57.9	.....	19.6	39.1	2.1
1953	275.2	73.9	50.4	30.3	57.7	.....	19.3	41.2	2.3
1954	278.7	62.8	64.7	30.2	57.7	.....	17.7	42.6	3.0
1955	280.8	61.7	68.6	32.9	57.9	.....	12.7	43.9	3.0
1956	276.6	68.6	58.9	32.9	56.3	.....	11.9	45.6	2.4
1957	274.9	75.3	56.9	32.0	52.5	.....	10.4	45.8	2.0
1958	282.9	72.6	71.0	32.0	51.2	.....	9.2	44.8	2.1
1959	290.8	79.9	83.7	24.6	48.2	.....	7.8	43.5	3.1
1960	290.2	75.3	89.5	24.2	47.2	.....	6.3	44.3	3.4
1961	296.2	85.9	84.7	25.4	47.5	0.5	5.3	43.5	3.5
1962	303.5	87.3	95.6	20.1	47.5	.7	4.6	43.4	4.3
1963	309.3	89.4	94.2	24.0	48.8	1.3	3.8	43.7	4.1
1964	317.9	88.5	100.4	23.6	49.7	1.8	3.5	46.1	4.4
1965	320.9	93.4	95.6	25.6	50.3	2.4	2.9	46.3	4.4
1966	329.3	105.2	87.5	25.4	50.8	1.5	2.7	52.0	4.3
1967	344.7	104.4	97.0	25.1	51.7	3.2	2.6	57.2	3.5
1968	358.0	108.6	103.4	24.8	52.3	4.4	2.6	59.1	2.9
1969	368.2	118.1	93.3	24.4	52.2	4.7	2.5	71.0	2.0
1970	389.2	123.4	104.9	19.4	52.5	6.5	2.4	78.1	1.9
1971	424.1	119.1	123.0	19.9	54.9	17.4	2.4	85.7	1.8
1972	449.3	130.4	117.7	21.4	58.1	21.3	2.4	95.9	2.0
1973	469.9	141.6	106.8	21.8	60.8	26.9	2.8	107.1	2.1
1974	[2] 492.7	148.1	113.2	21.6	63.8	22.8	3.0	119.1	[2] 1.1
1975	576.6	199.7	138.7	24.8	67.9	21.6	3.6	119.4	1.0
1974: Jan	468.2	141.6	106.8	21.7	61.0	26.2	2.8	106.2	1.9
Feb	470.7	141.4	106.0	22.2	61.3	26.3	2.8	108.6	2.1
Mar	474.5	145.5	106.0	22.1	61.6	26.1	2.9	108.5	1.9
Apr	471.9	140.9	107.5	22.0	61.9	26.6	2.9	108.4	1.8
May	474.7	142.9	104.1	22.6	62.1	26.9	2.9	111.3	1.9
June	475.1	139.9	104.2	22.5	62.4	25.9	2.9	115.4	1.8
July	[2] 475.3	142.2	104.2	22.4	62.7	24.4	3.0	115.5	[2] 1.0
Aug	481.8	142.9	108.4	20.8	62.8	23.2	3.0	119.6	1.1
Sept	481.5	143.4	108.4	20.8	63.0	23.2	3.0	118.3	1.4
Oct	480.2	144.4	108.4	20.8	63.3	23.1	3.0	116.2	1.1
Nov	485.4	143.4	112.6	21.5	63.6	23.1	3.0	116.9	1.2
Dec	492.7	148.1	113.2	21.6	63.8	22.8	3.0	119.1	1.1
1975: Jan	494.1	149.4	115.2	21.5	64.2	23.0	3.0	116.9	1.0
Feb	499.7	154.8	112.6	22.4	64.5	23.3	3.0	118.1	1.0
Mar	509.7	158.1	119.6	22.3	64.8	24.0	3.0	116.8	1.1
Apr	516.7	161.0	122.6	23.5	65.2	23.6	3.0	116.8	1.0
May	528.2	164.2	127.7	23.0	65.5	23.5	3.1	120.1	1.1
June	533.2	163.9	128.7	22.9	65.9	23.2	3.2	124.2	1.1
July	538.2	168.8	132.0	22.8	66.3	22.2	3.3	121.7	1.0
Aug	547.7	179.8	127.3	23.9	66.6	21.6	3.4	124.1	1.0
Sept	553.6	180.2	134.9	23.8	66.9	21.5	3.4	121.9	1.0
Oct	562.0	186.0	141.1	23.8	67.2	21.2	3.5	118.2	.9
Nov	566.8	192.8	138.2	24.8	67.6	21.3	3.5	117.5	1.0
Dec	576.6	199.7	138.7	24.8	67.9	21.6	3.6	119.4	1.0

[1] Prior to July 1974, this series was shown as "Special issues."
[2] Beginning July 1974, excludes the non-interest-bearing notes issued to International Monetary Fund, to conform with Budget presentation.

Source: Department of the Treasury.

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TABLE B–71.—*Estimated ownership of public debt securities, 1946–75*

[Par values;[1] billions of dollars]

End of year or month	Total public debt securities									
	Total	Held by Government accounts	Held by Federal Reserve Banks	Held by private investors						
				Total	Commercial banks [2]	Mutual savings banks and insurance companies	Other corporations [3]	State and local governments [4]	Individuals [5]	Miscellaneous investors [6]
1946	259.1	27.4	23.3	208.3	74.5	36.7	15.3	6.3	64.1	11.4
1947	256.9	30.8	22.6	203.6	68.7	35.9	14.1	7.3	65.7	11.9
1948	252.8	33.7	23.3	195.8	62.4	32.7	14.8	7.9	65.5	12.5
1949	257.1	35.9	18.9	202.4	66.8	31.5	16.8	8.1	66.3	12.9
1950	256.7	36.0	20.8	199.9	61.8	29.6	19.7	8.8	66.3	13.6
1951	259.4	39.3	23.8	196.3	61.5	26.2	20.7	9.6	64.6	13.7
1952	267.4	42.9	24.7	199.8	63.4	25.5	19.9	11.1	65.2	14.7
1953	275.2	45.4	25.9	203.8	63.7	25.1	21.5	12.7	64.8	16.1
1954	278.7	46.7	24.9	207.1	69.1	24.1	19.1	14.4	63.5	16.9
1955	280.8	49.0	24.8	207.0	62.0	23.1	23.2	15.4	65.0	18.3
1956	276.6	51.2	24.9	200.5	59.5	21.2	18.7	16.3	65.9	18.9
1957	274.9	52.8	24.2	197.9	59.5	20.1	17.7	16.6	64.9	19.1
1958	282.9	52.1	26.3	204.5	67.5	19.8	18.1	16.5	63.7	18.9
1959	290.8	51.4	26.6	212.7	60.3	19.4	21.4	18.0	69.4	24.3
1960	290.2	52.8	27.4	210.0	62.1	18.1	18.7	18.7	66.1	26.5
1961	296.2	52.5	28.9	214.8	67.2	17.6	18.5	19.0	65.8	26.9
1962	303.5	53.2	30.8	219.5	67.1	17.6	18.6	20.1	65.9	30.2
1963	309.3	55.3	33.6	220.5	64.2	17.0	18.7	21.1	68.0	31.6
1964	317.9	58.4	37.0	222.5	63.9	16.8	18.2	21.1	69.5	33.0
1965	320.9	59.7	40.8	220.5	60.7	15.8	15.8	22.9	71.9	33.4
1966	329.3	65.8	44.3	219.2	57.4	14.5	14.9	24.3	74.2	33.9
1967	344.7	73.1	49.1	222.4	63.8	13.2	12.2	24.1	73.5	35.7
1968	358.0	76.6	52.9	228.5	66.0	12.2	14.2	24.9	75.1	36.1
1969	368.2	89.0	57.2	222.0	56.8	10.7	10.4	27.2	80.8	36.1
1970	389.2	97.1	62.1	229.9	62.7	10.5	7.3	27.8	81.2	40.4
1971	424.1	106.0	70.2	247.9	65.3	10.1	11.4	25.4	73.2	62.5
1972	449.3	116.9	69.9	262.5	67.7	10.0	9.8	28.9	73.9	72.3
1973	469.9	129.6	78.5	261.7	60.3	9.3	10.9	29.2	77.3	74.8
1974	[7] 492.7	141.2	80.5	[7] 271.0	55.6	8.7	11.0	29.2	84.8	[7] 81.6
1975	576.6	139.3	87.9	349.4	85.8	13.4	20.3	34.2	91.0	104.7
1974: Jan	468.2	128.7	78.2	261.2	60.2	9.1	10.7	29.9	77.4	73.9
Feb	470.7	131.3	78.2	261.1	59.0	8.8	10.9	30.7	77.9	73.9
Mar	474.5	131.2	79.5	263.8	59.5	8.9	11.7	30.6	78.4	74.7
Apr	471.9	131.1	80.0	260.7	56.8	8.6	10.5	30.1	79.2	75.6
May	474.7	133.9	81.4	259.4	54.4	8.6	11.2	29.2	80.0	75.9
June	475.1	138.2	80.5	256.4	53.2	8.5	10.8	28.3	80.7	75.0
July	[7] 475.3	137.5	78.1	[7] 259.7	53.5	8.3	11.3	28.8	81.6	[7] 76.1
Aug	481.8	141.6	81.1	259.0	53.1	8.3	11.0	29.2	82.6	74.9
Sept	481.5	140.6	81.0	260.1	52.0	8.3	10.5	29.3	83.3	76.6
Oct	480.2	138.4	79.4	262.5	52.7	8.4	11.2	28.8	83.8	77.7
Nov	485.4	139.0	81.0	265.3	53.7	8.5	11.0	28.7	84.3	79.1
Dec	492.7	141.2	80.5	271.0	55.6	8.7	11.0	29.2	84.8	81.6
1975: Jan	494.1	139.0	81.3	273.8	54.6	8.9	11.3	30.0	85.3	83.8
Feb	499.7	139.8	81.1	278.9	56.5	9.0	11.4	30.5	85.3	86.2
Mar	509.7	138.5	81.4	289.8	61.8	9.5	12.0	29.7	85.7	91.1
Apr	516.7	138.0	87.8	290.9	64.1	10.0	12.5	29.8	86.1	88.5
May	528.2	140.9	85.6	301.7	67.7	10.5	13.7	29.8	86.6	93.4
June	533.2	145.3	84.7	303.2	69.2	10.6	13.2	29.6	87.1	93.4
July	538.2	142.5	81.9	313.8	71.4	11.0	16.2	31.3	87.6	96.2
Aug	547.7	144.8	82.5	320.4	75.4	11.3	16.0	31.2	88.7	97.8
Sept	553.6	142.3	87.0	324.4	78.4	11.6	15.0	32.2	89.4	97.8
Oct	562.0	138.8	87.2	336.0	80.5	12.1	17.5	33.8	90.0	102.1
Nov	566.8	137 7	85.1	344.0	82.6	13.2	20.0	33.9	90.6	103.7
Dec	576.6	139.3	87.9	349.4	85.8	13.4	20.3	34.2	91.0	104.7

[1] U.S. savings bonds, series A–F and J, and U.S. savings notes are included at current redemption value.

[2] Includes commercial banks, trust companies, and stock savings banks in the United States and Territories and island possessions; figures exclude securities held in trust departments. Since the estimates in this table are on the basis of par values and include holdings of banks in United States Territories and possessions, they do not agree with the estimates in Table B–52, which are based on book values and relate only to banks within the United States.

[3] Exclusive of banks and insurance companies.

[4] Includes trust, sinking, and investment funds of State and local governments and their agencies, and of Territories and possessions.

[5] Includes partnerships and personal trust accounts.

[6] Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, dealers and brokers, certain government deposit account and government-sponsored agencies, and investments of foreign balances and international accounts in this country Beginning December 1946, the international accounts include investments by the International Bank for Reconstruction and Development, International Monetary Fund, International Development Association, Inter-American Development, Bank, and various United Nations' funds, in special non-interest-bearing notes and bonds issued by the U.S. Government. See also footnote 7.

[7] Beginning July 1974, excludes non-interest-bearing notes issued to International Monetary Fund, to conform with Budget presentation.

Source: Department of the Treasury.

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TABLE B–72.—*Average length and maturity distribution of marketable interest-bearing public debt, 1946–75*

End of year or month	Amount outstanding	Maturity class					Average length	
		Within 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over		
	Millions of dollars						Years	Months
Fiscal year:								
1946	189,606	61,974	24,763	41,807	17,461	43,599	9	1
1947	168,702	51,211	21,851	35,562	18,597	41,481	9	5
1948	160,346	48,742	21,630	32,264	16,229	41,481	9	2
1949	155,147	48,130	32,562	16,746	22,821	34,888	8	9
1950	155,310	42,338	51,292	7,792	28,035	25,853	8	2
1951	137,917	43,908	46,526	8,707	29,979	8,797	6	7
1952	140,407	46,367	47,814	13,933	25,700	6,594	5	8
1953	147,335	65,270	36,161	15,651	28,662	1,592	5	4
1954	150,354	62,734	29,866	27,515	28,634	1,606	5	6
1955	155,206	49,703	39,107	34,253	28,613	3,530	5	10
1956	154,953	58,714	34,401	28,908	28,578	4,351	5	4
1957	155,705	71,952	40,669	12,328	26,407	4,349	4	9
1958	166,675	67,782	42,557	21,476	27,652	7,208	5	3
1959	178,027	72,958	58,304	17,052	21,625	8,088	4	7
1960	183,845	70,467	72,844	20,246	12,630	7,658	4	4
1961	187,148	81,120	58,400	26,435	10,233	10,960	4	6
1962	196,072	88,442	57,041	26,049	9,319	15,221	4	11
1963	203,508	85,294	58,026	37,385	8,360	14,444	5	1
1964	206,489	81,424	65,453	34,929	8,355	16,328	5	0
1965	208,695	87,637	56,198	39,169	8,449	17,241	5	4
1966	209,127	89,136	60,933	33,596	8,439	17,023	4	11
1967	210,672	89,648	71,424	24,378	8,425	16,797	4	7
1968	226,592	106,407	64,470	30,754	8,407	16,553	4	2
1969	226,107	103,910	62,770	34,837	8,374	16,217	4	0
1970	232,599	105,530	89,615	15,882	10,524	11,048	3	8
1971	245,473	112,772	89,074	24,503	8,455	10,670	3	6
1972	257,202	121,944	89,004	26,852	9,343	10,059	3	3
1973	262,971	122,803	88,223	31,111	14,477	6,357	3	2
1974	266,575	139,942	77,199	26,957	17,403	5,074	3	0
1975	315,606	163,947	101,918	26,831	14,508	8,402	3	0
1974: Jan	270,131	141,590	81,716	25,132	15,596	6,098	3	0
Feb	269,650	141,444	79,045	26,968	16,129	6,063	3	0
Mar	273,596	145,453	79,045	26,965	16,092	6,040	2	11
Apr	270,452	140,905	80,570	26,961	16,036	5,981	2	11
May	269,550	142,864	77,165	26,960	17,458	5,103	3	0
June	266,575	139,942	77,199	26,957	17,403	5,074	3	0
July	268,782	142,245	77,200	26,953	17,346	5,039	2	11
Aug	272,111	142,900	79,366	28,997	14,952	5,897	3	0
Sept	272,608	143,400	79,361	29,044	14,924	5,879	3	0
Oct	273,529	144,373	79,369	29,027	14,894	5,866	2	11
Nov	277,538	143,381	84,730	27,916	14,865	6,545	3	0
Dec	282,891	148,122	85,273	27,899	14,832	6,765	2	11
1975: Jan	286,133	149,422	87,301	27,894	14,794	6,722	2	11
Feb	289,827	154,820	85,143	27,496	15,506	6,863	3	0
Mar	299,989	158,084	90,324	29,256	15,476	6,849	2	11
Apr	307,202	161,039	93,387	29,255	16,687	6,834	2	10
May	314,886	164,216	98,302	29,402	14,548	8,418	3	0
June	315,606	163,947	101,918	26,831	14,508	8,402	3	0
July	323,701	168,821	105,216	26,826	14,465	8,373	2	11
Aug	331,080	179,849	101,891	25,445	14,429	9,466	3	0
Sept	338,946	180,219	109,486	25,439	14,368	9,434	2	11
Oct	350,906	186,029	115,693	25,433	14,336	9,414	2	10
Nov	355,879	192,833	111,759	26,440	14,302	10,545	2	10
Dec	363,191	199,730	112,233	26,437	14,263	10,529	2	9

Note.—All issues classified to final maturity except partially tax-exempt bonds, which were classified to earliest call date (the last of these bonds were called on August 14, 1962 for redemption on December 15, 1962).

Source: Department of the Treasury.

TABLE B–73.—*Corporate profits with inventory valuation adjustment and without capital consumption adjustment, by industry, 1946–75*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Corporate profits with inventory valuation adjustment and without capital consumption adjustment											
	Total	Domestic industries										Rest of the world
		Total	Financial			Nonfinancial						
			Total	Federal Reserve banks	Other	Total	Manufacturing[1]	Wholesale and retail trade	Transportation, communication, and services[2]	Other		
1946	19.3	18.9	2.1	0.1	2.0	16.8	9.0	3.8	1.8	2.1		0.4
1947	25.6	24.9	1.7	.1	1.6	23.2	13.6	4.6	2.2	2.9		.7
1948	33.0	32.2	2.6	.2	2.3	29.6	17.6	5.5	3.0	3.6		.8
1949	30.8	29.9	3.1	.2	2.9	26.8	16.2	4.5	3.0	3.1		.8
1950	37.6	36.7	3.1	.2	3.0	33.5	20.9	5.0	4.0	3.6		1.0
1951	42.7	41.5	3.6	.3	3.3	37.9	24.6	5.0	4.6	3.7		1.2
1952	39.8	38.7	4.0	.4	3.7	34.7	21.7	4.8	4.9	3.3		1.1
1953	39.5	38.4	4.5	.4	4.1	33.9	22.0	3.8	5.0	3.1		1.1
1954	37.8	36.4	4.6	.3	4.3	31.8	19.9	3.8	4.7	3.4		1.4
1955	46.7	45.1	4.8	.3	4.5	40.3	26.0	5.0	5.6	3.6		1.6
1956	45.9	44.1	5.0	.5	4.5	39.1	24.7	4.5	5.9	4.1		1.8
1957	45.4	43.5	5.2	.6	4.6	38.3	24.0	4.4	5.8	4.0		1.9
1958	40.8	39.1	5.7	.6	5.1	33.5	19.4	4.6	5.9	3.6		1.7
1959	51.2	49.4	6.8	.7	6.0	42.6	26.2	5.9	7.0	3.5		1.8
1960	48.9	47.0	7.2	1.0	6.2	39.8	23.9	4.9	7.4	3.5		1.9
1961	48.7	46.3	7.0	.8	6.3	39.3	23.0	4.9	7.8	3.6		2.3
1962	53.7	51.1	7.3	.9	6.4	43.8	26.0	5.7	8.4	3.8		2.6
1963	57.6	54.9	6.8	1.0	5.8	48.1	28.7	5.9	9.3	4.2		2.6
1964	64.2	61.0	6.9	1.1	5.8	54.1	31.9	7.4	9.9	4.9		3.1
1965	73.3	70.1	7.5	1.4	6.2	62.5	38.3	7.9	11.0	5.3		3.3
1966	78.6	75.9	8.5	1.7	6.8	67.4	41.6	8.0	11.8	6.0		2.8
1967	75.6	72.6	9.0	2.0	7.0	63.6	37.9	8.9	10.7	6.1		3.0
1968	82.1	78.9	10.4	2.5	7.9	68.5	41.2	10.1	10.7	6.5		3.2
1969	77.9	74.2	11.3	3.1	8.2	62.9	36.8	10.1	10.2	5.8		3.7
1970	66.4	62.6	12.6	3.6	9.0	50.1	27.1	9.4	8.2	5.3		3.8
1971	76.9	72.4	14.1	3.3	10.8	58.2	32.4	11.7	8.3	5.8		4.6
1972	89.6	84.7	15.4	3.4	12.1	69.3	40.6	13.3	9.0	6.4		4.8
1973	98.6	91.7	17.4	4.5	12.9	74.3	43.8	14.4	8.5	7.6		6.8
1974	93.6	82.5	17.3	5.7	11.5	65.3	37.4	13.4	7.0	7.5		11.0
1975 p	108.3	102.4	16.2	5.7	10.5	86.2	46.6	----	----	----		5.9
1973: I	99.4	92.9	16.8	3.9	12.9	76.1	45.6	14.1	9.2	7.2		6.5
II	97.4	90.8	17.5	4.3	13.2	73.2	44.8	13.2	8.1	7.2		6.6
III	97.9	91.4	17.4	4.8	12.6	74.0	42.6	14.8	8.6	8.0		6.5
IV	99.6	92.0	17.9	5.1	12.8	74.1	42.4	15.6	8.2	7.9		7.7
1974: I	100.3	85.9	17.2	5.3	11.9	68.7	40.9	14.6	6.2	7.0		14.4
II	96.0	87.2	17.1	5.6	11.4	70.2	39.8	15.5	7.3	7.5		8.8
III	92.0	82.0	18.3	6.0	12.3	63.7	37.0	11.7	7.7	7.4		10.0
IV	86.1	75.1	16.5	6.0	10.5	58.6	31.9	11.9	6.7	8.1		11.0
1975: I	83.4	77.6	18.3	5.7	12.5	59.3	30.0	16 3	5.1	7.9		5.8
II	101.6	95.7	15.5	5.7	9.9	80.2	43.5	21.0	7.9	7.8		5.8
III	119.6	113.4	14.9	5.4	9.4	98.6	54.6	25.1	11.3	7.6		6.2

See footnotes at end of table.

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TABLE B–73.—*Corporate profits with inventory valuation adjustment and without capital consumption adjustment, by industry, 1946–75*—Continued

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Corporate profits before deduction of capital consumption allowances, with inventory valuation adjustment										
	Total	Domestic industries									Rest of the world
		Total	Financial			Nonfinancial					
			Total	Federal Reserve banks	Other	Total	Manufacturing[1]	Wholesale and retail trade	Transportation, communication, and services[2]	Other	
1946	24.0	23.6	2.2	0.1	2.1	21.4	11.2	4.2	3.0	2.9	0.4
1947	31.4	30.7	1.8	.1	1.7	28.9	16.3	5.2	3.6	3.8	.7
1948	40.0	39.2	2.7	.2	2.5	36.5	20.8	6.2	4.7	4.8	.8
1949	38.7	37.9	3.3	.2	3.0	34.6	19.8	5.4	4.8	4.6	.8
1950	46.5	45.5	3.3	.2	3.1	42.2	24.9	6.0	6.1	5.2	1.0
1951	53.0	51.8	3.8	.3	3.5	48.0	29.1	6.2	7.1	5.6	1.2
1952	51.3	50.2	4.2	.4	3.9	46.0	26.9	6.1	7.6	5.4	1.1
1953	52.7	51.6	4.8	.4	4.4	46.8	28.3	5.1	8.1	5.3	1.1
1954	52.8	51.4	4.9	.3	4.6	46.5	27.1	5.2	8.2	5.9	1.4
1955	64.1	62.6	5.2	.3	4.8	57.4	34.3	6.7	9.8	6.6	1.6
1956	64.9	63.1	5.4	.5	4.9	57.7	33.6	6.3	10.3	7.4	1.8
1957	66.3	64.4	5.7	.6	5.0	58.7	33.9	6.5	10.5	7.8	1.9
1958	62.9	61.2	6.1	.6	5.5	55.0	29.8	6.6	10.9	7.6	1.7
1959	74.8	73.0	7.3	.7	6.5	65.7	37.1	8.0	12.5	8.0	1.8
1960	74.1	72.2	7.8	1.0	6.8	64.4	35.5	7.3	13.3	8.4	1.9
1961	75.3	72.9	7.7	.8	6.9	65.3	35.2	7.4	14.0	8.8	2.3
1962	84.2	81.5	8.0	.9	7.1	73.6	40.2	8.4	15.4	9.6	2.6
1963	90.0	87.4	7.6	1.0	6.6	79.8	43.9	8.7	16.8	10.4	2.6
1964	98.7	95.6	7.9	1.2	6.7	87.7	48.0	10.4	17.9	11.4	3.1
1965	110.8	107.5	8.5	1.4	7.2	99.0	55.9	11.1	19.6	12.3	3.3
1966	119.3	116.5	9.6	1.7	7.9	106.9	60.5	11.5	21.3	13.6	2.8
1967	119.7	116.7	10.2	2.0	8.2	106.5	58.7	12.7	21.0	14.1	3.0
1968	130.2	127.0	11.8	2.5	9.3	115.1	63.9	14.3	21.9	15.0	3.2
1969	130.9	127.2	13.0	3.1	9.9	114.2	61.5	14.9	22.4	15.4	3.7
1970	123.0	119.2	14.5	3.6	11.0	104.7	53.1	14.7	21.4	15.5	3.8
1971	137.8	133.3	16.3	3.4	13.0	116.9	59.8	17.5	23.2	16.4	4.6
1972	157.4	152.6	18.0	3.4	14.7	134.6	69.9	20.2	26.3	18.3	4.8
1973	172.0	165.2	20.6	4.5	16.1	144.6	74.2	21.7	28.3	20.4	6.8
1974	173.3	162.3	20.8	5.7	15.0	141.5	69.7	21.2	29.4	21.2	11.0
1975 p	196.1	190.2	20.0	5.7	14.4	170.2	81.4				5.9
1973: I	170.5	163.9	19.7	3.9	15.9	144.2	75.4	21.2	28.0	19.6	6.5
II	170.3	163.7	20.7	4.3	16.4	143.0	75.0	20.4	27.7	20.0	6.6
III	171.4	164.9	20.7	4.8	15.9	144.2	72.6	22.1	28.7	20.9	6.5
IV	175.9	168.2	21.3	5.1	16.2	147.0	74.0	23.0	28.9	21.1	7.7
1974: I	177.2	162.8	20.6	5.3	15.3	142.1	72.3	22.1	27.4	20.2	14.4
II	174.4	165.6	20.5	5.7	14.9	145.1	71.7	23.1	29.3	21.0	8.8
III	172.7	162.7	21.8	6.0	15.8	140.9	69.8	19.5	30.4	21.1	10.0
IV	169.1	158.1	20.2	6.0	14.1	138.0	65.2	20.0	30.5	22.3	11.0
1975: I	168.0	162.2	22.0	5.8	16.2	140.3	63.8	24.6	29.4	22.5	5.8
II	188.2	182.3	19.3	5.7	13.6	163.0	77.9	29.5	32.8	22.8	5.8
III	208.6	202.4	18.7	5.5	13.3	183.7	89.9	33.9	36.8	23.1	6.2

[1] See Table B–74 for industry detail.
[2] Services consists of electric, gas, and sanitary services.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–74.—*Corporate profits with inventory valuation adjustment and without capital consumption adjustment, manufacturing industries, 1946–75*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Corporate profits with inventory valuation adjustment and without capital consumption adjustment												
	Total manufacturing	Nondurable goods					Durable goods						
		Total	Food and kindred products	Chemicals and allied products	Petroleum and coal products	Other	Total	Primary metal industries	Fabricated metal products	Machinery, except electrical	Electrical equipment and supplies	Motor vehicles and equipment	Other
1946	9.0	6.6					2.4						
1947	13.6	7.8					5.8						
1948	17.6	10.0	1.9	1.7	2.8	3.7	7.5	1.6	0.8	1.2	0.7	1.4	1.9
1949	16.2	8.1	1.6	1.8	1.9	2.8	8.1	1.5	.7	1.3	.8	2.1	1.7
1950	20.9	8.9	1.6	2.3	2.3	2.7	12.0	2.3	1.1	1.6	1.2	3.1	2.6
1951	24.6	11.4	1.4	2.8	2.7	4.4	13.2	3.1	1.3	2.3	1.3	2.4	2.8
1952	21.7	9.9	1.7	2.3	2.3	3.6	11.7	1.9	1.0	2.3	1.5	2.4	2.7
1953	22.0	10.1	1.8	2.2	2.8	3.3	11.9	2.5	.9	1.9	1.4	2.6	2.7
1954	19.9	9.4	1.6	2.2	2.7	2.9	10.5	1.7	.9	1.7	1.2	2.1	2.9
1955	26.0	11.8	2.2	3.0	3.0	3.6	14.3	2.9	1.0	1.7	1.1	4.1	3.5
1956	24.7	11.9	1.8	2.8	3.3	4.1	12.8	3.0	1.0	2.1	1.2	2.2	3.2
1957	24.0	10.7	1.8	2.8	2.6	3.6	13.3	3.0	1.1	2.0	1.5	2.6	3.1
1958	19.4	10.0	2.1	2.5	2.1	3.3	9.3	1.9	.9	1.4	1.3	.9	2.9
1959	26.2	12.7	2.6	3.4	2.5	4.2	13.5	2.3	1.0	2.1	1.7	2.9	3.4
1960	23.9	11.9	2.1	3.1	2.5	4.2	12.0	2.1	.9	1.8	1.3	3.0	2.9
1961	23.0	11.7	2.3	3.1	2.2	4.0	11.3	1.5	1.0	1.8	1.3	2.5	3.1
1962	26.0	11.9	2.3	3.2	2.1	4.3	14.1	1.6	1.1	2.3	1.5	4.0	3.6
1963	28.7	12.8	2.7	3.6	2.1	4.5	15.9	1.9	1.2	2.4	1.5	4.9	3.9
1964	31.9	14.4	2.8	3.9	2.4	5.3	17.5	2.4	1.4	3.1	1.6	4.7	4.3
1965	38.3	15.8	2.6	4.5	2.8	5.8	22.6	3.1	1.9	3.8	2.6	6.1	5.0
1966	41.6	18.0	3.3	4.8	3.2	6.7	23.5	3.6	2.3	4.4	3.0	5.1	5.2
1967	37.9	17.3	3.1	4.2	3.8	6.2	20.6	2.7	2.3	4.0	2.9	3.9	4.8
1968	41.2	18.8	3.2	5.0	3.6	7.0	22.4	2.0	2.2	4.1	2.8	5.5	5.8
1969	36.8	17.7	2.9	4.6	3.3	6.9	19.2	1.4	1.9	3.6	2.2	4.8	5.2
1970	27.1	16.8	3.5	3.9	3.6	5.8	10.3	.9	1.2	2.7	1.1	1.4	3.0
1971	32.4	17.3	3.3	4.2	3.6	6.2	15.1	.5	1.3	2.7	1.8	4.9	3.8
1972	40.6	18.1	2.8	5.0	3.5	6.8	22.5	1.6	2.1	3.9	3.0	5.9	6.0
1973	43.8	19.9	2.2	5.5	5.1	7.0	24.0	2.0	2.4	4.5	2.7	5.8	6.6
1974	37.4	25.6	3.3	5.3	8.9	8.2	11.8	3.5	.9	1.8	.9	1.0	3.7
1975 p	46.6	27.9					18.6						
1973: I	45.6	19.1	1.5	5.7	4.7	7.2	26.5	1.9	2.2	4.7	3.1	7.7	6.8
II	44.8	20.1	1.9	5.7	5.3	7.2	24.7	1.8	2.4	4.3	2.7	7.1	6.4
III	42.6	18.8	1.4	5.4	5.3	6.7	23.8	2.1	2.5	4.6	2.7	5.2	6.8
IV	42.4	21.4	4.0	5.3	5.3	6.9	20.9	2.1	2.4	4.3	2.4	3.3	6.4
1974: I	40.9	24.5	3.5	5.8	7.1	8.0	16.5	2.1	1.5	3.9	2.0	.5	6.4
II	39.8	28.2	5.4	5.5	8.9	8.3	11.6	3.1	1.1	2.2	1.1	.2	4.0
III	37.0	27.2	2.4	5.0	12.1	7.8	9.7	4.4	−.2	.2	.1	2.6	2.7
IV	31.9	22.6	1.7	4.8	7.7	8.5	9.2	4.3	1.3	1.1	.3	.6	1.6
1975: I	30.0	21.1	5.9	4.4	5.2	5.6	8.9	3.9	1.5	3.4	1.2	−2.2	1.0
II	43.5	27.5	7.1	5.9	7.0	7.5	16.0	1.7	2.7	4.7	2.2	1.1	3.6
III	54.6	30.1	6.9	7.5	6.0	9.8	24.5	1.4	3.4	5.8	2.5	4.9	6.5

See footnotes at end of table.

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TABLE B–74.—*Corporate profits with inventory valuation adjustment and without capital consumption adjustment, manufacturing industries, 1946–75*—Continued

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Corporate profits before deduction of capital consumption allowances, with inventory valuation adjustment												
	Total manufacturing	Nondurable goods					Durable goods						
		Total	Food and kindred products	Chemicals and allied products	Petroleum and coal products	Other	Total	Primary metal industries	Fabricated metal products	Machinery, except electrical	Electrical equipment and supplies	Motor vehicles and equipment	Other
1946	11.2	7.9					3.3						
1947	16.3	9.3					6.9						
1948	20.8	11.8	2.2	2.0	3.4	4.2	9.0	1.9	1.0	1.5	0.8	1.6	2.2
1949	19.8	10.1	2.0	2.1	2.6	3.4	9.7	1.9	.9	1.6	.9	2.3	2.2
1950	24.9	11.1	2.1	2.7	3.1	3.3	13.7	2.8	1.3	1.9	1.4	3.3	3.0
1951	29.1	13.9	2.0	3.2	3.6	5.1	15.3	3.6	1.5	2.6	1.5	2.7	3.3
1952	26.9	12.7	2.3	2.8	3.2	4.4	14.2	2.6	1.2	2.7	1.7	2.7	3.3
1953	28.3	13.2	2.3	2.8	3.9	4.1	15.0	3.5	1.2	2.3	1.6	3.0	3.4
1954	27.1	13.1	2.3	3.0	4.1	3.8	14.1	2.9	1.2	2.2	1.5	2.5	3.7
1955	34.3	16.0	2.9	3.9	4.6	4.6	18.3	4.2	1.3	2.3	1.5	4.6	4.4
1956	33.6	16.5	2.5	3.8	4.9	5.2	17.2	4.3	1.4	2.8	1.6	2.9	4.2
1957	33.9	15.7	2.6	3.8	4.4	4.9	18.2	4.5	1.5	2.7	2.0	3.3	4.3
1958	29.8	15.4	3.0	3.6	4.0	4.7	14.4	3.2	1.3	2.2	1.8	1.6	4.3
1959	37.1	18.4	3.6	4.6	4.5	5.7	18.7	3.6	1.5	2.9	2.2	3.7	4.8
1960	35.5	17.8	3.2	4.4	4.5	5.8	17.7	3.4	1.4	2.7	1.8	4.0	4.4
1961	35.2	18.0	3.4	4.5	4.3	5.7	17.2	2.9	1.5	2.8	1.9	3.5	4.6
1962	40.2	19.1	3.6	4.8	4.4	6.2	21.1	3.3	1.8	3.4	2.1	5.2	5.3
1963	43.9	20.5	4.0	5.3	4.7	6.5	23.3	3.7	1.8	3.5	2.3	6.3	5.8
1964	48.0	22.6	4.2	5.7	5.1	7.5	25.5	4.3	2.0	4.3	2.3	6.3	6.2
1965	55.9	24.4	4.0	6.5	5.8	8.1	31.4	5.1	2.7	5.2	3.4	8.0	7.2
1966	60.5	27.2	4.9	6.8	6.3	9.2	33.3	5.7	3.0	5.8	4.0	7.5	7.4
1967	58.7	27.1	4.7	6.3	7.2	8.9	31.6	5.0	3.2	5.7	4.0	6.4	7.4
1968	63.9	29.3	4.9	7.3	7.3	9.9	34.6	4.5	3.2	6.0	4.1	8.1	8.7
1969	61.5	29.2	4.8	7.1	7.1	10.2	32.3	4.0	3.0	5.7	3.7	7.5	8.5
1970	53.1	29.0	5.6	6.6	7.6	9.2	24.1	3.5	2.3	5.2	2.9	3.8	6.5
1971	59.8	30.4	5.5	7.1	7.9	9.9	29.4	3.1	2.4	5.4	3.8	7.3	7.5
1972	69.9	32.2	5.1	8.2	8.0	10.8	37.6	4.1	3.2	6.8	5.1	8.4	9.9
1973	74.2	34.7	4.6	8.8	9.8	11.4	39.6	4.5	3.6	7.3	5.1	8.4	10.6
1974	69.7	41.6	5.6	8.9	14.2	12.9	28.1	5.9	2.2	5.0	3.5	3.5	8.0
1975 p	81.4	45.3					36.2						
1973: I	75.4	33.5	3.9	9.5	8.5	11.5	42.0	4.4	3.5	7.6	5.4	10.3	10.8
II	75.0	34.9	4.3	8.9	10.2	11.6	40.1	4.3	3.6	7.1	5.1	9.5	10.4
III	72.6	33.4	3.7	8.4	10.2	11.0	39.2	4.6	3.7	7.4	5.1	7.6	10.8
IV	74.0	36.9	6.6	8.4	10.4	11.5	37.1	4.7	3.7	7.3	4.8	6.0	10.5
1974: I	72.3	39.9	5.9	9.1	12.3	12.7	32.4	4.6	2.7	6.9	4.5	3.1	10.6
II	71.7	43.7	7.8	9.0	13.9	13.0	27.9	5.5	2.4	5.2	3.7	2.9	8.2
III	69.8	43.2	4.8	8.7	17.2	12.5	26.6	6.8	1.1	3.5	2.8	5.2	7.2
IV	65.2	39.7	4.1	8.6	13.6	13.4	25.5	6.7	2.6	4.3	2.9	2.9	6.1
1975: I	63.8	38.1	8.3	8.2	11.1	10.5	25.7	6.4	2.9	6.7	3.9	.2	5.6
II	77.9	44.5	9.4	9.8	12.8	12.5	33.3	4.2	4.1	8.2	5.0	3.7	8.2
III	89.9	47.6	9.3	11.4	11.9	15.0	42.3	3.9	4.8	9.3	5.4	7.7	11.3

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–75.—*Sales, profits, and stockholders' equity, all manufacturing corporations, 1947–75*

[Billions of dollars]

Year or quarter	All manufacturing corporations				Durable goods industries				Nondurable goods industries			
	Sales (net)	Profits		Stockholders' equity [2]	Sales (net)	Profits		Stockholders' equity [2]	Sales (net)	Profits		Stockholders' equity [2]
		Before income taxes [1]	After income taxes			Before income taxes [1]	After income taxes			Before income taxes [1]	After income taxes	
1947	150.7	16.6	10.1	65.1	66.6	7.6	4.5	31.1	84.1	9.0	5.6	34.0
1948	165.6	18.4	11.5	72.2	75.3	8.9	5.4	34.1	90.4	9.5	6.2	38.1
1949	154.9	14.4	9.0	77.6	70.3	7.5	4.5	37.0	84.6	7.0	4.6	40.6
1950	181.9	23.2	12.9	83.3	86.8	12.9	6.7	39.9	95.1	10.3	6.1	43.5
1951	245.0	27.4	11.9	98.3	116.8	15.4	6.1	47.2	128.1	12.1	5.7	51.1
1952	250.2	22.9	10.7	103.7	122.0	12.9	5.5	49.8	128.0	10.0	5.2	53.9
1953	265.9	24.4	11.3	108.2	137.9	14.0	5.8	52.4	128.0	10.4	5.5	55.7
1954	248.5	20.9	11.2	113.1	122.8	11.4	5.6	54.9	125.7	9.6	5.6	58.2
1955	278.4	28.6	15.1	120.1	142.1	16.5	8.1	58.8	136.3	12.1	7.0	61.3
1956	307.3	29.8	16.2	131.6	159.5	16.5	8.3	65.2	147.8	13.2	7.8	66.4
1957	320.0	28.2	15.4	141.1	166.0	15.8	7.9	70.5	154.1	12.4	7.5	70.6
1958	305.3	22.7	12.7	147.4	148.6	11.4	5.8	72.8	156.7	11.3	6.9	74.6
1959	338.0	29.7	16.3	157.1	169.4	15.8	8.1	77.9	168.5	13.9	8.3	79.2
1960	345.7	27.5	15.2	165.4	173.9	14.0	7.0	82.3	171.8	13.5	8.2	83.1
1961	356.4	27.5	15.3	172.6	175.2	13.6	6.9	84.9	181.2	13.9	8.5	87.7
1962	389.9	31.9	17.7	181.4	195.5	16.7	8.6	89.1	194.4	15.1	9.2	92.3
1963	412.7	34.9	19.5	189.7	209.0	18.5	9.5	93.3	203.6	16.4	10.0	96.3
1964	443.1	39.6	23.2	199.8	226.3	21.2	11.6	98.5	216.8	18.3	11.6	101.3
1965	492.2	46.5	27.5	211.7	257.0	26.2	14.5	105.4	235.2	20.3	13.0	106.3
1966	554.2	51.8	30.9	230.3	291.7	29.2	16.4	115.2	262.4	22.6	14.6	115.1
1967	575.4	47.8	29.0	247.6	300.6	25.7	14.6	125.0	274.8	22.0	14.4	122.6
1968	631.9	55.4	32.1	265.9	335.5	30.6	16.5	135.6	296.4	24.8	15.5	130.3
1969	694.6	58.1	33.2	289.9	366.5	31.5	16.9	147.6	328.1	26.6	16.4	142.3
1970	708.8	48.1	28.6	306.8	363.1	23.0	12.9	155.1	345.7	25.2	15.7	151.7
1971	751.4	53.2	31.3	320.9	382.5	26.5	14.5	160.6	368.9	26.7	16.7	160.3
1972	849.5	63.2	36.5	343.4	435.8	33.6	18.4	171.4	413.7	29.6	18.0	172.0
1973	1,017.2	81.4	48.1	374.1	527.3	43.6	24.8	188.7	489.9	37.8	23.3	185.4
1973: IV	275.1	21.4	13.0	386.4	140.1	10.8	6.3	194.7	135.0	10.6	6.7	191.7
New series: [3]												
1974	1,060.6	92.1	58.7	395.0	529.0	41.1	24.7	196.0	531.6	51.0	34.1	199.0
1973: IV	236.6	20.6	13.2	368.0	122.7	10.1	6.2	185.8	113.9	10.5	7.0	182.1
1974: I	242.0	21.2	13.5	379.0	120.3	9.5	5.7	189.4	121.7	11.7	7.8	189.6
II	269.4	25.9	16.3	389.9	136.8	12.6	7.6	194.1	132.6	13.3	8.7	195.8
III	272.1	25.0	15.5	402.7	134.8	10.5	6.2	199.9	137.3	14.5	9.4	202.8
IV	277.0	20.1	13.4	408.4	137.1	8.6	5.2	200.8	140.0	11.5	8.2	207.6
1975: I	247.7	15.4	9.3	411.0	121.2	6.9	4.1	201.9	126.5	8.5	5.2	209.1
II	266.0	20.2	12.5	420.5	132.4	9.3	5.7	207.6	133.7	10.9	6.8	213.0
III	272.0	21.8	13.2	427.8	130.9	9.0	5.5	210.0	141.1	12.7	7.7	217.8

[1] In the old series, "income taxes" refers to Federal income taxes only, as State and local income taxes had already been deducted. In the new series, no income taxes have been deducted.

[2] Annual data are average equity for the year (using four end-of-quarter figures).

[3] See "Quarterly Financial Report for Manufacturing Corporations, First Quarter 1974," Federal Trade Commission.

Note.—Data are not necessarily comparable from one period to another due to changes in accounting procedures, industry classifications, sampling procedures, etc. For explanatory notes concerning compilation of the series, see "Quarterly Financial Report for Manufacturing Corporations," Federal Trade Commission.

Source: Federal Trade Commission.

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TABLE B–76.—*Relation of profits after taxes to stockholders' equity and to sales, all manufacturing corporations, 1947–75*

Year or quarter	Ratio of profits after income taxes (annual rate) to stockholders' equity—percent[1]			Profits after income taxes per dollar of sales—cents		
	All manufacturing corporations	Durable goods industries	Nondurable goods industries	All manufacturing corporations	Durable goods industries	Nondurable goods industries
1947	15.6	14.4	16.6	6.7	6.7	6.7
1948	16.0	15.7	16.2	7.0	7.1	6.8
1949	11.6	12.1	11.2	5.8	6.4	5.4
1950	15.4	16.9	14.1	7.1	7.7	6.5
1951	12.1	13.0	11.2	4.8	5.3	4.5
1952	10.3	11.1	9.7	4.3	4.5	4.1
1953	10.5	11.1	9.9	4.3	4.2	4.3
1954	9.9	10.3	9.6	4.5	4.6	4.4
1955	12.6	13.8	11.4	5.4	5.7	5.1
1956	12.3	12.8	11.8	5.3	5.2	5.3
1957	10.9	11.3	10.6	4.8	4.8	4.9
1958	8.6	8.0	9.2	4.2	3.9	4.4
1959	10.4	10.4	10.4	4.8	4.8	4.9
1960	9.2	8.5	9.8	4.4	4.0	4.8
1961	8.9	8.1	9.6	4.3	3.9	4.7
1962	9.8	9.6	9.9	4.5	4.4	4.7
1963	10.3	10.1	10.4	4.7	4.5	4.9
1964	11.6	11.7	11.5	5.2	5.1	5.4
1965	13.0	13.8	12.2	5.6	5.7	5.5
1966	13.4	14.2	12.7	5.6	5.6	5.6
1967	11.7	11.7	11.8	5.0	4.8	5.3
1968	12.1	12.2	11.9	5.1	4.9	5.2
1969	11.5	11.4	11.5	4.8	4.6	5.0
1970	9.3	8.3	10.3	4.0	3.5	4.5
1971	9.7	9.0	10.3	4.1	3.8	4.5
1972	10.6	10.8	10.5	4.3	4.2	4.4
1973	12.8	13.1	12.6	4.7	4.7	4.8
1973: IV	13.4	12.9	14.0	4.7	4.5	5.0
New series:[2]						
1974	14.9	12.6	17.1	5.5	4.7	6.4
1973: IV	14.3	13.3	15.3	5.6	5.0	6.1
1974: I	14.3	12.1	16.4	5.6	4.8	6.4
II	16.7	15.6	17.8	6.0	5.5	6.6
III	15.4	12.3	18.5	5.7	4.6	6.8
IV	13.2	10.4	15.8	4.8	3.8	5.9
1975: I	9.0	8.0	10.0	3.7	3.3	4.1
II	11.9	10.9	12.8	4.7	4.3	5.1
III	12.4	10.5	14.2	4.9	4.2	5.5

[1] Annual ratios based on average equity for the year (using four end-of-quarter figures). Quarterly ratios based on equity at end of quarter only.
[2] See "Quarterly Financial Report for Manufacturing Corporations, First Quarter 1974," Federal Trade Commission.

Note.—Based on data in millions of dollars.
See also Note, Table B–75.

Source: Federal Trade Commission.

TABLE B–77.—*Relation of profits after taxes to stockholders' equity and to sales, all manufacturing corporations, by industry group, 1974–75*

Industry	Ratio of profits after income taxes (annual rate) to stockholders' equity—percent [1]					Profits after income taxes per dollar of sales—cents				
	1974		1975			1974		1975		
	III	IV	I	II	III	III	IV	I	II	III
All manufacturing corporations	15.4	13.2	9.0	11.9	12.4	5.7	4.8	3.7	4.7	4.9
Durable goods industries	12.3	10.4	8.0	10.9	10.5	4.6	3.8	3.3	4.3	4.2
Stone, clay, and glass products	15.1	6.4	−.4	8.4	14.7	5.8	2.7	−.2	3.6	6.1
Primary metal industries	19.2	13.4	11.9	8.4	6.3	7.6	5.5	5.7	4.3	3.3
Iron and steel	21.2	16.7	14.6	10.0	8.3	7.6	6.2	6.1	4.6	4.0
Nonferrous metals	16.3	8.6	7.8	5.9	3.3	7.6	4.2	4.7	3.7	2.1
Fabricated metal products	17.6	13.3	10.7	14.4	14.7	5.0	3.8	3.4	4.5	4.7
Machinery, except electrical	12.3	12.2	12.6	14.2	13.1	5.6	5.3	5.9	6.4	6.2
Electrical and electronic equipment	9.9	8.2	7.9	9.2	8.3	3.4	2.7	2.9	3.3	2.9
Transportation equipment	4.7	8.0	1.2	9.6	7.3	1.7	2.6	.4	3.1	2.5
Motor vehicles and equipment	−2.8	8.1	−1.4	8.2	5.5	1.1	2.8	−.6	2.9	2.1
Aircraft, guided missiles, and parts	9.4	8.2	9.6	11.9	11.6	2.8	2.2	2.6	3.1	3.2
Instruments and related products	15.4	16.4	13.0	11.9	14.9	8.6	9.1	7.9	6.8	8.4
Other durable manufacturing products	11.3	3.6	2.5	10.0	11.0	3.3	1.1	.9	3.3	3.5
Nondurable goods industries	18.5	15.8	10.0	12.8	14.2	6.8	5.9	4.1	5.1	5.5
Food and kindred products	15.4	14.7	10.7	15.0	17.2	3.2	3.0	2.4	3.3	3.7
Tobacco manufactures	15.9	15.5	14.1	15.9	18.4	9.0	7.8	8.4	9.5	11.1
Textile mill products	6.6	3.3	−2.7	1.7	8.1	2.1	1.1	−1.2	.6	2.6
Paper and allied products	19.9	15.0	10.8	12.3	12.6	7.6	6.1	5.0	5.6	5.5
Printing and publishing	13.0	13.5	9.0	13.2	13.5	4.7	4.6	3.4	4.7	4.9
Chemicals and allied products	19.0	14.8	14.2	16.2	15.6	8.4	7.0	7.1	8.1	7.4
Industrial chemicals and synthetics	19.6	12.6	10.9	13.3	13.7	8.8	6.3	5.7	7.0	6.9
Drugs	19.0	15.9	18.6	18.6	18.4	12.2	10.3	12.6	12.8	12.4
Petroleum and coal products	23.3	20.5	10.2	11.8	13.3	13.9	12.0	6.3	7.3	7.9
Rubber and miscellaneous plastics products	14.3	11.6	3.6	7.9	9.4	4.8	4.1	1.5	3.0	3.5
Other nondurable manufacturing products	14.2	9.9	4.1	11.5	15.6	2.9	2.1	1.0	2.5	3.3

[1] Ratios based on equity at end of quarter.

Source: Federal Trade Commission.

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TABLE B–78.—*Sources and uses of funds, nonfarm nonfinancial corporate business, 1946–75*

[Billions of dollars]

Period	Sources							Uses			Discrepancy (sources less uses)
	Total	Internal[1]	External					Total	Purchase of physical assets[4]	Increase in financial assets	
			Total	Credit market funds			Other				
				Total	Long-term[2]	Short-term[3]					
1946	18.3	7.8	10.5	6.8	3.4	3.3	3.7	16.5	17.9	−1.4	1.8
1947	27.0	12.6	14.4	8.6	5.5	3.1	5.8	25.5	17.2	8.4	1.4
1948	28.2	18.7	9.6	6.3	6.4	−.1	3.3	25.2	20.2	5.0	3.0
1949	19.6	19.1	.6	3.2	5.1	−1.8	−2.7	18.7	15.2	3.5	.9
1950	41.1	17.9	23.2	7.2	3.8	3.4	15.9	40.4	24.0	16.4	.7
1951	35.5	19.9	15.6	10.0	5.9	4.1	5.6	37.2	29.8	7.4	−1.7
1952	29.1	21.2	7.9	9.2	7.8	1.4	−1.3	28.9	24.3	4.6	.2
1953	27.2	21.1	6.1	5.6	5.9	−.3	.5	26.8	24.5	2.3	.4
1954	28.8	23.3	5.5	6.3	6.6	−.3	−.8	26.4	21.5	4.9	2.5
1955	52.5	29.2	23.3	10.3	6.5	3.8	13.0	47.8	31.3	16.5	4.6
1956	44.3	28.9	15.4	12.9	7.5	5.4	2.5	39.7	35.7	4.0	4.6
1957	42.2	30.6	11.6	12.0	10.3	1.7	−.4	38.7	34.5	4.2	3.5
1958	41.2	29.5	11.7	10.6	10.5	.0	1.2	37.8	27.0	10.8	3.4
1959	55.1	35.0	20.1	12.6	8.1	4.6	7.5	50.8	36.7	14.2	4.3
1960	47.4	34.4	12.9	11.9	7.5	4.5	1.0	41.4	38.7	2.7	6.0
1961	54.5	35.6	19.0	12.3	10.8	1.5	6.7	49.5	36.3	13.2	5.0
1962	59.2	41.8	17.4	12.5	9.5	2.9	4.9	54.7	43.6	11.1	4.5
1963	65.0	43.9	21.1	12.1	8.2	3.9	9.0	59.3	45.2	14.2	5.6
1964	72.4	50.5	21.9	14.5	8.8	5.6	7.4	65.0	51.6	13.4	7.4
1965	91.3	56.6	34.8	20.4	9.2	11.2	14.4	82.5	62.3	20.2	8.9
1966	97.3	61.2	36.1	25.3	15.7	9.6	10.9	89.1	76.5	12.6	8.2
1967	94.0	61.5	32.5	29.6	21.6	8.0	3.0	88.2	71.4	16.8	5.8
1968	113.6	61.7	51.9	31.5	18.4	13.2	20.4	104.0	75.0	29.0	9.6
1969	118.1	60.7	57.4	38.9	20.0	18.9	18.5	112.1	83.7	28.4	6.0
1970	103.7	59.4	44.2	39.5	30.7	8.8	4.8	97.0	84.0	12.9	6.7
1971	120.4	68.0	52.5	46.8	41.8	5.0	5.7	110.3	87.2	23.1	10.2
1972	148.0	78.7	69.3	55.3	39.3	16.0	14.0	133.3	102.5	30.8	14.8
1973	176.2	84.6	91.6	67.2	34.5	32.7	24.5	162.4	121.5	40.9	13.8
1974	183.3	81.5	101.8	77.1	36.3	40.8	24.7	169.7	125.9	43.8	13.6
	Seasonally adjusted annual rates										
1974: I	196.3	85.3	111.0	75.4	37.5	38.0	35.6	189.7	124.3	65.4	6.7
II	210.3	80.5	129.8	91.6	43.1	48.7	38.2	195.1	127.8	67.3	15.3
III	176.4	75.3	101.1	72.8	25.2	47.4	28.3	160.2	122.4	37.8	16.2
IV	150.1	84.8	65.3	68.7	39.3	29.4	−3.4	133.5	129.2	4.3	16.6
1975: I	90.1	90.1	.0	27.2	52.0	−24.9	−27.1	76.1	95.1	−19.0	14.0
II	129.8	98.2	31.6	29.3	52.9	−23.7	2.4	114.5	77.8	36.7	15.3
III	150.3	109.7	40.6	29.8	39.6	−9.7	10.7	133.7	102.5	31.2	16.5

[1] Undistributed profits (after inventory valuation adjustment) and capital consumption allowances.
[2] Stocks, bonds, and mortgages.
[3] Bank loans, commercial paper, finance company loans, bankers' acceptances, and Government loans.
[4] Plant and equipment, residential structures, and inventory investment.

Source: Board of Governors of the Federal Reserve System.

TABLE B–79.—*Current assets and liabilities of U.S. corporations, 1939–75*

[Billions of dollars]

End of year or quarter	Current assets							Current liabilities					Net working capital
	Total	Cash on hand and in banks[1]	U.S. Government securities[2]	Receivables from U.S. Government[3]	Notes and accounts receivable	Inventories	Other current assets[4]	Total	Advances and prepayments, U.S. Government[3]	Notes and accounts payable	Federal income tax liabilities	Other current liabilities	
	All corporations[5]												
1939	54.5	10.8	2.2	.....	22.1	18.0	1.4	30.0	.....	21.9	1.2	6.9	24.5
1940	60.3	13.1	2.0	0.1	23.9	19.8	1.5	32.8	0.6	22.6	2.5	7.1	27.5
1941	72.9	13.9	4.0	.6	27.4	25.6	1.4	40.7	.8	25.6	7.1	7.2	32.3
1942	83.6	17.6	10.1	4.0	23.3	27.3	1.3	47.3	2.0	24.0	12.6	8.7	36.3
1943	93.8	21.6	16.4	5.0	21.9	27.6	1.3	51.6	2.2	24.1	16.6	8.7	42.1
1944	97.2	21.6	20.9	4.7	21.8	26.8	1.4	51.7	1.8	25.0	15.5	9.4	45.6
1945	97.4	21.7	21.1	2.7	23.2	26.3	2.4	45.8	.9	24.8	10.4	9.7	51.6
1946	108.1	22.8	15.3	.7	30.0	37.6	1.7	51.9	.1	31.5	8.5	11.8	56.2
1947	123.6	25.0	14.1	38.3		44.6	1.6	61.5	37.6		10.7	13.2	62.1
1948	133.0	25.3	14.8	42.4		48.9	1.6	64.4	39.3		11.5	13.5	68.6
1949	133.1	26.5	16.8	43.0		45.3	1.4	60.7	37.5		9.3	14.0	72.4
1950	161.5	28.1	19.7	1.1	55.7	55.1	1.7	79.8	.4	47.9	16.7	14.9	81.6
1951	179.1	30.0	20.7	2.7	58.8	64.9	2.1	92.6	1.3	53.6	21.3	16.5	86.5
1952	186.2	30.8	19.9	2.8	64.6	65.8	2.4	96.1	2.3	57.0	18.1	18.7	90.1
1953	190.6	31.1	21.5	2.6	65.9	67.2	2.4	98.9	2.2	57.3	18.7	20.7	91.8
1954	194.6	33.4	19.2	2.4	71.2	65.3	3.1	99.7	2.4	59.3	15.5	22.5	94.9
1955	224.0	34.6	23.5	2.3	86.6	72.8	4.2	121.0	2.3	73.8	19.3	25.7	103.0
1956	237.9	34.8	19.1	2.6	95.1	80.4	5.9	130.5	2.4	81.5	17.6	29.0	107.4
1957	244.7	34.9	18.6	2.8	99.4	82.2	6.7	133.1	2.3	84.3	15.4	31.1	111.6
1958	255.3	37.4	18.8	2.8	106.9	81.9	7.5	136.6	1.7	88.7	12.9	33.3	118.7
1959	277.3	36.3	22.8	2.9	117.7	88.4	9.1	153.1	1.7	99.3	15.0	37.0	124.2
1960	289.0	37.2	20.1	3.1	126.1	91.8	10.6	160.4	1.8	105.0	13.5	40.1	128.6
1961	306.8	41.1	20.0	3.4	135.8	95.2	11.4	171.2	1.8	112.8	14.1	42.5	135.6
	Nonfinancial corporations[6]												
1961	254.7	34.8	16.5	3.4	94.5	95.0	10.5	123.7	1.8	82.6	13.3	26.0	131.0
1962	269.7	37.1	16.8	3.7	99.5	100.5	12.1	132.4	2.0	86.7	14.3	29.4	137.3
1963	288.2	39.8	16.7	3.6	106.9	106.8	14.4	145.5	2.5	94.5	15.7	32.8	142.7
1964	305.6	40.5	15.8	3.4	116.5	113.1	16.3	156.6	2.7	102.2	16.2	35.5	149.0
1965	336.0	42.8	14.4	3.9	130.2	126.6	18.1	178.8	3.1	118.4	18.3	39.0	157.2
1966	364.0	41.9	13.0	4.5	142.1	142.8	19.7	199.4	4.4	133.1	17.4	44.5	164.6
1967	386.2	45.5	10.3	5.1	150.2	153.1	22.0	211.3	5.8	141.3	13.2	51.0	174.9
1968	426.5	48.2	11.5	5.1	168.8	166.0	26.9	244.1	6.4	162.4	14.3	61.0	182.4
1969	473.6	47.9	10.6	4.8	192.2	186.4	31.6	287.8	7.3	191.9	12.6	76.0	185.7
1970	492.3	50.2	7.7	4.2	201.9	193.3	35.0	304.9	6.6	204.7	10.0	83.6	187.4
1971	529.6	53.3	11.0	3.5	217.6	200.4	43.8	326.0	4.9	215.6	13.1	92.4	203.6
1972	573.5	57.5	9.3	3.4	240.0	215.2	48.1	352.2	4.0	230.4	15.1	102.6	221.3
1973	643.3	61.6	11.0	3.5	266.1	246.7	54.4	401.0	4.3	261.6	18.1	117.0	242.3
1974	712.2	62.7	11.7	3.5	289.7	288.0	56.6	450.6	5.2	287.5	23.2	134.8	261.5
1974: I	666.2	59.4	12.1	3.2	276.2	258.4	56.9	416.0	4.5	266.5	20.6	124.4	250.2
II	685.4	58.8	10.7	3.4	289.8	269.2	53.5	431.5	4.7	278.5	19.0	129.1	253.9
III	708.6	60.3	11.0	3.5	295.5	282.1	56.1	449.1	5.1	287.0	22.7	134.3	259.5
IV	712.2	62.7	11.7	3.5	289.7	288.0	56.6	450.6	5.2	287.5	23.2	134.8	261.5
1975: I	698.4	60.6	12.1	3.2	281.9	285.2	55.4	438.0	5.3	271.2	21.8	139.8	260.4
II	703.2	63.7	12.7	3.3	284.8	281.4	57.3	434.2	5.8	270.1	17.7	140.6	269.0
III	716.5	65.6	14.3	3.3	294.7	279.6	59.0	444.7	6.2	273.4	19.4	145.6	271.8

[1] Includes time certificates of deposit.

[2] Includes Federal agency issues.

[3] Receivables from and payables to the U.S. Government do not include amounts offset against each other on corporations' books or amounts arising from subcontracting which are not directly due from or to the U.S. Government. Wherever possible, adjustments have been made to include U.S. Government advances offset against inventories on corporations' books.

[4] Includes marketable investments (other than Government securities and time certificates of deposit) as well as sundry current assets.

[5] Excludes banks, savings and loan associations, and insurance companies.

[6] Excludes banks, savings and loan associations, insurance companies, investment companies, finance companies (personal and commercial), real estate companies, and security and commodity brokers, dealers, and exchanges.

Note.—Year-end data through 1971 are based on "Statistics of Income" (Department of the Treasury), covering virtually all corporations in the United States. "Statistics of Income" data may not be strictly comparable from year to year because of changes in the tax laws, basis for filing returns, and processing of data for compilation purposes. All other figures shown are estimates based on data compiled from many different sources, including data on corporations registered with the Securities and Exchange Commission.

Source: Securities and Exchange Commission.

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TABLE B–80.—*State and municipal and corporate securities offered, 1934–75*

[Millions of dollars]

Year or quarter	State and municipal securities offered for cash (principal amounts)	Corporate securities offered for cash								
		Total corporate offerings	Type of corporate security			Industry of corporate issuer				
			Common stock	Preferred stock	Bonds and notes	Manufacturing[1]	Electric, gas, and water[2]	Transportation[3]	Communication	Other
1934	939	397	19	6	371	67	133	176	.....	21
1939	1,128	2,164	87	98	1,980	604	1,271	186	.....	103
1940	1,238	2,677	108	183	2,386	992	1,203	324	.....	159
1941	956	2,667	110	167	2,390	848	1,357	366	.....	96
1942	524	1,062	34	112	917	539	472	48	.....	4
1943	435	1,170	56	124	990	510	477	161	.....	21
1944	661	3,202	163	369	2,669	1,061	1,422	609	.....	109
1945	795	6,011	397	758	4,855	2,026	2,319	1,454	.....	211
1946	1,157	6,900	891	1,127	4,882	3,701	2,158	711	.....	329
1947	2,324	6,577	779	762	5,036	2,742	3,287	286	.....	293
1948	2,690	7,078	614	492	5,973	2,226	2,187	755	902	1,008
1949	2,907	6,052	736	425	4,890	1,414	2,320	800	571	946
1950	3,532	6,361	811	631	4,920	1,200	2,649	813	399	1,300
1951	3,189	7,741	1,212	838	5,691	3,122	2,455	494	612	1,058
1952	4,401	9,534	1,369	564	7,601	4,039	2,675	992	760	1,068
1953	5,558	8,898	1,326	489	7,083	2,254	3,029	595	882	2,138
1954	6,969	9,516	1,213	816	7,488	2,268	3,713	778	720	2,037
1955	5,977	10,240	2,185	635	7,420	2,994	2,464	893	1,132	2,757
1956	5,446	10,939	2,301	636	8,002	3,647	2,529	724	1,419	2,619
1957	6,958	12,884	2,516	411	9,957	4,234	3,938	824	1,462	2,426
1958	7,449	11,558	1,334	571	9,653	3,515	3,804	824	1,424	1,991
1959	7,681	9,748	2,027	531	7,190	2,073	3,258	967	717	2,733
1960	7,230	10,154	1,664	409	8,081	2,152	2,851	718	1,050	3,383
1961	8,360	13,165	3,294	450	9,420	4,077	3,032	694	1,834	3,527
1962	8,558	10,705	1,314	422	8,969	3,249	2,825	567	1,303	2,761
1963	10,107	12,211	1,011	343	10,856	3,514	2,677	957	1,105	3,957
1964	10,544	13,957	2,679	412	10,865	3,046	2,760	982	2,189	4,980
1965	11,148	14,782	1,473	724	12,585	5,414	2,934	702	945	4,787
1966	11,089	17,385	1,901	580	14,904	7,056	3,666	1,494	2,003	3,167
1967	14,288	24,014	1,927	881	21,206	11,069	4,835	1,639	1,975	4,396
1968	16,374	21,261	3,885	636	16,740	6,958	5,293	1,564	1,775	5,671
1969	11,460	25,997	7,640	691	17,666	6,346	6,715	1,779	2,172	8,985
1970	17,762	37,451	7,037	1,390	29,023	10,647	11,009	1,253	5,291	9,252
1971	24,370	43,378	9,540	3,682	30,156	11,624	11,786	1,255	5,815	12,937
1972	22,941	39,746	10,719	3,340	25,687	6,402	11,314	899	4,835	16,296
1973	22,953	31,722	7,647	3,341	20,734	4,837	10,270	845	4,867	10,902
1974	22,824	37,768	4,017	2,254	31,497	10,411	12,835	1,004	3,928	9,589
1974: I	6,350	9,232	958	818	7,455	1,926	3,569	157	873	2,708
II	6,441	9,211	1,001	533	7,676	2,541	3,189	70	1,312	2,100
III	4,062	7,534	824	461	6,248	1,888	2,376	122	1,007	2,142
IV	5,971	11,797	1,236	441	10,119	4,055	3,702	656	742	2,640
1975: I	6,525	15,123	1,447	662	13,014	6,055	4,733	85	1,379	2,871
II	7,797	15,295	2,657	923	11,715	6,529	4,405	524	1,338	2,500
III	8,238	9,296	1,421	635	7,240	2,530	3,322	288	678	2,479

[1] Prior to 1948, also includes extractive, radio broadcasting, airline companies, commercial, and miscellaneous company issues.

[2] Prior to 1948, also includes telephone, street railway, and bus company issues.

[3] Prior to 1948, includes railroad issues only.

Note.—Covers substantially all new issues of State, municipal, and corporate securities offered for cash sale in the United States in amounts over $100,000 and with terms to maturity of more than 1 year; excludes notes issued exclusively to commercial banks, intercorporate transactions, and issues to be sold over an extended period, such as employee-purchase plans. Closed-end investment company issues are included from 1971 forward.

Sources: Securities and Exchange Commission, "The Commercial and Financial Chronicle" and "The Bond Buyer."

TABLE B–81.—*Common stock prices, earnings, and yields, and stock market credit, 1949–75*

Year or month	Standard & Poor's common stock data						Margin credit at brokers and banks (end of period) [4]			
	Price indexes [1]				Dividend yield (percent) [2]	Price/earnings ratio [3]	Regulated [5]			Unregulated; nonmargin stock credit at banks [6]
	Total (500 stocks)	Industrials (425 stocks)	Public utilities (55 stocks)	Railroads (20 stocks)			Total	Brokers	Banks	
	1941–43=10						Millions of dollars			
1949	15.23	15.00	17.87	12.83	6.59	6.49				
1950	18.40	18.33	19.96	15.53	6.57	7.15				
1951	22.34	22.68	20.59	19.91	6.13	8.57				
1952	24.50	24.78	22.86	22.49	5.80	10.57				
1953	24.73	24.84	24.03	22.60	5.80	9.77				
1954	29.69	30.25	27.57	23.96	4.95	11.75				
1955	40.49	42.40	31.37	32.94	4.08	12.59				
1956	46.62	49.80	32.25	33.65	4.09	13.25				
1957	44.38	47.63	32.19	28.11	4.35	12.73				
1958	46.24	49.36	37.22	27.05	3.97	16.33				
19	57.38	61.45	44.15	35.09	3.23	17.32				
1960	55.85	59.43	46.86	30.31	3.47	16.98				
1961	66.27	69.99	60.20	32.83	2.98	21.68				
1962	62.38	65.54	59.16	30.56	3.37	17.39				
1963	69.87	73.39	64.99	37.58	3.17	18.20				
1964	81.37	86.19	69.91	45.46	3.01	18.81				
1965	88.17	93.48	76.08	46.78	3.00	17.92				
1966	85.26	91.08	68.21	46.34	3.40	15.15				
1967	91.93	99.18	68.10	46.72	3.20	17.48				
1968	98.70	107.49	66.42	48.84	3.07	17.66				
1969	97.84	107.13	62.64	45.95	3.24	16.48				
1970	83.22	91.29	54.48	32.13	3.83	15.69				
1971	98.29	108.35	59.33	41.94	3.14	18.50	6,535	5,700	835	
1972	109.20	121.79	56.90	44.11	2.84	18.20	9,045	8,180	865	
1973	107.43	120.44	53.47	38.01	3.06	14.22	6,382	5,251	1,131	1,866
1974	82.85	92.91	38.91	37.53	4.47	8.94	4,836	3,980	856	2,064
1975	86.16	96.56	41.17	37.48	4.31					
1974: Jan	96.11	107.18	48.60	44.37	3.64		6,343	5,323	1,020	1,845
Feb	93.45	104.13	48.13	41.85	3.81		6,462	5,423	1,039	1,843
Mar	97.44	108.98	47.90	42.80	3.65	11.24	6,527	5,519	1,008	1,869
Apr	92.46	103.66	44.03	40.26	3.86		6,567	5,558	1,009	1,868
May	89.67	101.17	39.35	37.04	4.00		6,380	5,360	1,020	1,858
June	89.79	101.62	37.46	37.31	4.02	9.84	6,297	5,260	1,037	2,072
July	82.82	93.54	35.37	35.63	4.42		5,948	4,925	1,023	2,091
Aug	76.03	85.51	34.00	35.06	4.90		5,625	4,672	953	2,119
Sept	68.12	76.54	30.93	31.55	5.45	6.97	5,097	4,173	924	2,060
Oct	69.44	77.57	33.80	33.70	5.38		4,996	4,080	916	2,024
Nov	71.74	80.17	34.45	35.95	5.13		4,994	4,103	891	2,053
Dec	67.07	74.80	32.85	34.81	5.43	7.71	4,836	3,980	856	2,064
1975: Jan	72.56	80.50	38.19	37.31	5.07		4,934	4,086	848	1,919
Feb	80.10	89.29	40.37	37.80	4.61		5,099	4,269	830	1,897
Mar	83.78	93.90	39.55	38.35	4.42	9.90	5,164	4,320	844	1,882
Apr	84.72	95.27	38.19	38.55	4.34		5,327	4,503	824	1,885
May	90.10	101.56	39.69	38.90	4.08		5,666	4,847	819	1,883
June	92.40	103.68	43.67	38.94	4.02	12.08		5,140		
July	92.49	103.84	43.67	38.04	4.02			5,446		
Aug	85.71	96.21	40.61	35.13	4.36			5,365		
Sept	84.67	94.96	40.53	34.93	4.39	11.04		5,399		
Oct	88.57	99.29	42.59	36.92	4.22			5,448		
Nov	90.07	100.86	43.77	37.81	4.07			5,519		
Dec	88.70	99.31	43.25	37.07	4.14					

[1] Monthly data are averages of daily figures and annual data are averages of monthly figures.

[2] Aggregate cash dividends (based on latest known annual rate) divided by aggregate market value based on Wednesday closing prices. Monthly data are averages of weekly figures; annual data are averages of monthly figures.

[3] Ratio of price index for last day of quarter to quarterly earnings (seasonally adjusted annual rate). Annual ratios are averages of quarterly data.

[4] Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock. Credit extended by brokers is end-of-month data for member firms of the New York Stock Exchange. June data for banks are universe totals; all other data for banks represent estimates for all commercial banks, which accounted for 60 percent of security credit outstanding at banks on June 30, 1971.

[5] In addition to assigning a current loan value to margin stock generally, Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.

[6] Nonmargin stocks are those not listed on a national securities exchange and not included in the Board of Governors of the Federal Reserve System's list of over-the-counter margin stocks. At banks, loans to purchase or carry nonmargin stocks are unregulated; at brokers, such stocks have no loan value.

Sources: Board of Governors of the Federal Reserve System, New York Stock Exchange, and Standard & Poor's Corporation.

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TABLE B–82.—*Business formation and business failures, 1929–75*

Year or month	Index of net business formation (1967=100)	New business incorporations (number)	Business failures [1]						
			Business failure rate [2]	Number of failures			Amount of current liabilities (millions of dollars)		
				Total	Liability size class		Total	Liability size class	
					Under $100,000	$100,000 and over		Under $100,000	$100,000 and over
1929			103.9	22,909	22,165	744	483.3	261.5	221.8
1933 [3]			100.3	19,859	18,880	979	457.5	215.5	242.0
1939 [3]			69.6	14,768	14,541	227	182.5	132.9	49.7
1940			63.0	13,619	13,400	219	166.7	119.9	46.8
1941			54.4	11,848	11,685	163	136.1	100.7	35.4
1942			44.6	9,405	9,282	123	100.8	80.3	20.5
1943			16.4	3,221	3,155	66	45.3	30.2	15.1
1944			6.5	1,222	1,176	46	31.7	14.5	17.1
1945			4.2	809	759	50	30.2	11.4	18.8
1946		132,916	5.2	1,129	1,003	126	67.3	15.7	51.6
1947		112,897	14.3	3,474	3,103	371	204.6	63.7	140.9
1948	112.6	96,346	20.4	5,250	4,853	397	234.6	93.9	140.7
1949	87.8	85,640	34.4	9,246	8,708	538	308.1	161.4	146.7
1950	93.1	93,092	34.3	9,162	8,746	416	248.3	151.2	97.1
1951	93.3	83,778	30.7	8,058	7,626	432	259.5	131.6	128.0
1952	98.2	92,946	28.7	7,611	7,081	530	283.3	131.9	151.4
1953	94.4	102,706	33.2	8,862	8,075	787	394.2	167.5	226.6
1954	91.3	117,411	42.0	11,086	10,226	860	462.6	211.4	251.2
1955	99.1	139,915	41.6	10,969	10,113	856	449.4	206.4	243.0
1956	95.2	141,163	48.0	12,686	11,615	1,071	562.7	239.8	322.9
1957	90.4	137,112	51.7	13,739	12,547	1,192	615.3	267.1	348.2
1958	89.5	150,781	55.9	14,964	13,499	1,465	728.3	297.6	430.7
1959	96.8	193,067	51.8	14,053	12,707	1,346	692.8	278.9	413.9
1960	92.4	182,713	57.0	15,445	13,650	1,795	938.6	327.2	611.4
1961	88.3	181,535	64.4	17,075	15,006	2,069	1,090.1	370.1	720.0
1962	90.7	182,057	60.8	15,782	13,772	2,010	1,213.6	346.5	867.1
1963	93.3	186,404	56.3	14,374	12,192	2,182	1,352.6	321.0	1,031.6
1964	97.2	197,724	53.2	13,501	11,346	2,155	1,329.2	313.6	1,015.6
1965	98.6	203,897	53.3	13,514	11,340	2,174	1,321.7	321.7	1,000.0
1966	98.2	200,010	51.6	13,061	10,833	2,228	1,385.7	321.5	1,064.1
1967	100.0	206,569	49.0	12,364	10,144	2,220	1,265.2	297.9	967.3
1968	109.8	233,635	38.6	9,636	7,829	1,807	941.0	241.1	699.9
1969	116.2	274,267	37.3	9,154	7,192	1,962	1,142.1	231.3	910.8
1970	108.0	264,209	43.8	10,748	8,019	2,729	1,887.8	269.3	1,618.4
1971	111.0	287,577	41.7	10,326	7,611	2,715	1,916.9	271.3	1,645.6
1972	117.9	316,601	38.3	9,566	7,040	2,526	2,000.2	258.8	1,741.5
1973	117.9	329,358	36.4	9,345	6,627	2,718	2,298.6	235.6	2,063.0
1974	112.4	319,149	38.4	9,915	6,733	3,182	3,053.1	256.9	2,796.3
1975	[4]108.3	[4]299,279							
	Seasonally adjusted								
1974: Jan	113.3	26,511	35.5	795	505	290	337.3	19.3	317.9
Feb	113.0	27,056	37.5	797	559	238	213.1	22.2	191.0
Mar	113.9	26,458	40.8	971	686	285	204.6	25.5	179.1
Apr	115.9	29,071	34.1	802	606	196	209.8	22.1	187.7
May	116.3	27,562	39.7	925	619	306	375.7	23.6	352.1
June	115.7	25,785	37.0	789	521	268	215.5	19.8	195.7
July	118.6	27,790	37.7	782	522	260	153.4	19.8	133.6
Aug	114.6	26,495	33.4	709	474	235	232.7	18.1	214.6
Sept	111.1	26,313	45.2	839	559	280	217.0	22.5	194.5
Oct	105.2	25,404	47.0	993	634	359	306.8	23.9	282.9
Nov	105.1	25,555	36.3	785	544	241	344.7	21.8	322.9
Dec	106.3	25,003	37.0	728	503	225	242.6	18.3	224.3
1975: Jan	102.9	24,406	46.8	1,080	677	403	391.1	25.5	365.7
Feb	101.7	24,298	44.9	963	628	335	384.8	25.0	359.8
Mar	103.0	24,922	46.3	1,145	774	371	343.3	30.2	313.2
Apr	103.4	26,506	49.1	1,202	756	446	372.1	29.9	342.2
May	104.8	26,634	43.4	1,045	728	317	357.8	29.2	328.6
June	110.7	26,843	36.5	805	572	233	175.9	22.5	153.4
July	113.7	28,896	41.9	904	553	351	242.0	21.7	220.4
Aug	112.6	28,708	41.4	891	608	283	222.4	23.1	199.3
Sept	113.1	29,365	42.2	853	559	294	205.5	22.7	182.8
Oct	[p]111.8	29,517	44.9	987	645	342	[5]1,295.4	25.4	1,270.0
Nov	[p]113.9	29,184							

[1] Commercial and industrial failures only. Excludes failures of banks and railroads and, beginning 1933, of real estate, insurance, holding, and financial companies, steamship lines, travel agencies, etc.

[2] Failure rate per 10,000 listed enterprises.

[3] Series revised; not strictly comparable with earlier data.

[4] Preliminary; based on seasonally adjusted data through November.

[5] Excluding W. T. Grant, current liabilities were $264.9 billion.

Sources: Department of Commerce (Bureau of Economic Analysis) and Dun & Bradstreet, Inc.

TABLE B–83.—*Income of farm people and farmers, 1929–75*

[Quarterly data at seasonally adjusted annual rates]

Year or quarter	Personal income received by total farm population			Income received from farming						
				Realized gross		Production expenses	Net to farm operators		Net income per farm, including net inventory change	
	From all sources	From farm sources [1]	From nonfarm sources [2]	Total [3]	Cash receipts from marketings		Excluding net inventory change	Including net inventory change [4]	Current dollars	1967 dollars [5]
	Billions of dollars								Dollars	
1929				13.9	11.3	7.7	6.3	6.2	945	1,969
1933				7.1	5.3	4.4	2.7	2.6	379	1,115
1939	7.4	4.8	2.6	10.6	7.9	6.3	4.3	4.4	685	1,851
1940	7.6	4.8	2.8	11.1	8.4	6.9	4.2	4.5	706	1,858
1941	10.1	6.8	3.3	13.9	11.1	7.8	6.1	6.5	1,031	2,578
1942	14.1	10.1	3.9	18.8	15.6	10.0	8.8	9.9	1,588	3,452
1943	16.5	12.1	4.4	23.4	19.6	11.6	11.8	11.7	1,927	3,706
1944	16.6	12.2	4.4	24.4	20.5	12.3	12.1	11.7	1,950	3,611
1945	17.2	12.8	4.4	25.8	21.7	13.1	12.8	12.3	2,063	3,619
1946	20.0	15.5	4.6	29.5	24.8	14.5	15.0	15.1	2,543	4,037
1947	21.1	15.8	5.3	34.1	29.6	17.0	17.1	15.4	2,615	3,534
1948	23.8	18.0	5.8	34.7	30.2	18.8	15.9	17.7	3,044	3,903
1949	19.5	13.3	6.2	31.6	27.8	18.0	13.6	12.8	2,233	2,977
1950	20.3	14.1	6.3	32.3	28.5	19.5	12.8	13.6	2,417	3,180
1951	22.7	16.1	6.5	37.1	32.9	22.3	14.8	15.9	2,936	3,537
1952	22.0	15.3	6.7	36.8	32.5	22.8	14.0	15.0	2,878	3,426
1953	19.7	13.3	6.4	35.1	31.0	21.5	13.6	13.0	2,604	3,100
1954	18.3	12.4	5.9	33.7	29.8	21.8	11.9	12.4	2,579	3,070
1955	17.4	11.2	6.2	33.3	29.5	22.2	11.1	11.3	2,429	2,892
1956	17.6	11.1	6.6	34.4	30.4	22.7	11.7	11.3	2,493	2,933
1957	17.5	10.8	6.6	34.2	29.7	23.7	10.5	11.1	2,536	2,882
1958	19.2	12.5	6.7	38.1	33.5	25.8	12.3	13.2	3,111	3,496
1959	17.4	10.4	7.1	37.9	33.6	27.2	10.7	10.7	2,615	2,938
1960	18.3	11.1	7.1	38.5	34.2	27.4	11.1	11.5	2,907	3,230
1961	19.0	11.4	7.6	40.2	35.2	28.6	11.6	12.0	3,124	3,471
1962	19.7	11.4	8.4	41.7	36.5	30.3	11.4	12.0	3,263	3,586
1963	19.7	11.0	8.8	42.7	37.5	31.6	11.1	11.7	3,288	3,574
1964	19.6	10.0	9.7	43.1	37.3	31.8	11.3	10.5	3,025	3,253
1965	22.4	11.9	10.5	45.5	39.4	33.7	11.8	12.9	3,830	4,032
1966	23.6	12.5	11.0	50.6	43.4	36.6	14.0	13.9	4,266	4,353
1967	22.6	11.0	11.6	49.9	42.8	38.3	11.6	12.2	3,867	3,867
1968	23.7	11.1	12.7	51.7	44.2	39.7	12.0	12.1	3,949	3,797
1969	26.4	12.7	13.7	56.3	48.2	42.4	13.9	14.0	4,672	4,286
1970	26.8	12.6	14.2	58.6	50.5	44.8	13.8	13.8	4,667	4,094
1971	28.0	13.0	15.0	60.6	52.9	47.8	12.8	14.2	4,879	4,100
1972	33.5	16.3	17.2	70.1	61.2	52.8	17.3	18.2	6,332	5,106
1973	47.7	28.7	19.0	95.3	86.9	65.8	29.5	33.1	11,639	8,434
1974	44.0	23.1	20.9	101.1	93.5	73.4	27.7	26.1	9,211	5,721
1975 p	44.8	23.1	21.7					26.0	9,260	5,230
1973: I				84.6	76.1	60.0	24.6	27.0	9,490	7,240
II				92.6	84.2	64.1	28.5	31.9	11,220	8,250
III				100.4	92.0	69.2	31.2	36.0	12,660	9,040
IV				103.6	95.2	70.0	33.6	37.5	13,190	9,100
1974: I				105.8	98.4	72.6	33.2	34.3	12,120	7,920
II				97.6	90.1	73.2	24.4	22.8	8,060	5,070
III				99.2	91.5	73.8	25.4	22.3	7,880	4,800
IV				101.9	94.1	74.0	27.9	25.0	8,830	5,190
1975: I				93.7	85.5	74.0	19.7	20.7	7,370	4,240
II				99.9	91.7	75.4	24.5	27.0	9,620	5,500
III				102.9	94.7	77.2	25.7	28.7	10,220	5,710
IV p								27.6	9,830	5,430

[1] Net income to farm operators including net inventory change, less net income of nonresident operators, plus wages and salaries and other labor income of farm resident workers, less contributions of farm resident operators and workers to social insurance.

[2] Consists of income received by farm residents from nonfarm sources, such as wages and salaries from nonfarm employment, nonfarm business and professional income, rents from nonfarm real estate, dividends, interest, royalties, unemployment compensation, and social security payments.

[3] Cash receipts from marketings, Government payments, and nonmoney and other farm income furnished by farms (excluding net inventory change).

[4] Includes net value of physical change in inventory of crops and livestock valued at average prices for the year.

[5] Income in current dollars divided by the index of prices paid by farmers for family living items on a 1967 base.

Source: Department of Agriculture.

TABLE B–84.—*Farm production indexes, 1929–75*

[1967=100]

Year	Farm output [1]	Crops [2]									Livestock and products [2]			
		Total [3]	Feed grains	Hay and forage	Food grains	Vegetables	Fruits and nuts	Cotton	Tobacco	Oil crops	Total [3]	Meat animals	Dairy products	Poultry and eggs
1929	54	62	48	69	52	73	70	204	78	11	54	52	76	32
1933	51	56	44	61	35	65	72	178	70	9	57	58	80	32
1939	58	64	51	66	48	72	91	162	97	25	59	59	82	35
1940	60	67	52	76	52	74	88	173	74	27	61	60	85	36
1941	63	68	56	75	59	75	93	148	64	29	64	63	89	39
1942	70	76	64	82	62	79	92	176	72	40	71	72	92	45
1943	69	72	58	80	54	86	80	157	71	41	77	81	91	52
1944	71	75	61	79	66	82	92	168	99	36	74	73	93	52
1945	70	73	59	82	69	84	84	124	101	35	73	70	95	54
1946	72	77	64	77	72	93	100	119	118	34	71	68	94	50
1947	69	73	49	74	84	81	95	163	107	39	70	67	93	50
1948	76	84	71	73	81	86	87	205	101	47	68	66	90	49
1949	74	79	63	73	69	83	92	220	100	45	72	69	93	54
1950	74	77	63	78	65	85	93	137	103	46	75	74	93	57
1951	76	78	59	81	64	80	94	208	119	47	78	79	92	59
1952	79	82	62	79	82	80	91	208	114	46	79	79	92	60
1953	80	81	61	81	75	84	93	208	105	47	80	78	97	61
1954	80	80	64	81	66	82	93	226	114	49	82	81	98	64
1955	83	83	68	86	63	85	93	188	112	53	84	86	99	63
1956	83	82	67	82	65	91	97	202	111	60	85	83	101	69
1957	81	81	73	83	62	88	89	183	85	58	83	80	101	70
1958	87	89	80	89	91	90	96	150	88	69	85	82	101	74
1959	89	89	83	85	73	89	99	157	91	64	89	88	100	76
1960	91	93	86	90	86	90	93	170	99	68	88	85	101	76
1961	92	92	77	90	79	96	97	195	105	77	91	89	104	82
1962	92	92	78	93	74	94	97	204	118	78	92	90	105	82
1963	96	96	85	94	77	94	95	211	119	81	95	95	104	84
1964	95	93	74	94	85	90	95	232	113	81	98	98	105	87
1965	98	99	87	98	88	96	100	205	94	95	95	92	104	90
1966	95	95	89	96	88	97	98	130	96	97	97	96	101	96
1967	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1968	102	103	95	99	105	104	98	148	87	114	100	101	99	98
1969	102	104	99	101	98	101	116	137	91	116	101	102	98	100
1970	101	101	89	100	91	101	109	139	97	117	105	108	100	106
1971	111	112	116	106	107	100	116	145	86	121	108	112	101	107
1972	110	113	112	105	102	101	104	187	88	131	108	110	102	109
1973	112	120	115	109	113	102	130	175	88	155	105	108	98	106
1974	106	110	92	104	120	110	122	157	100	129	106	110	98	106
1975 p	114	122	113	108	141	112	131	112	111	151	106	111	98	102

[1] Farm output measures the annual volume of net farm production available for eventual human use through sales from farms or consumption in farm households.
[2] Gross production.
[3] Includes certain items not shown separately.

Source: Department of Agriculture.

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TABLE B-85.—*Farm population, employment, and productivity, 1929–75*

Year	Farm population (April 1)[1]		Farm employment (thousands)[3]			Farm output				Crop production per acre[4]
						Per unit of total input	Per hour of farm work			
	Number (thousands)	As percent of total population[2]	Total	Family workers	Hired workers		Total	Crops	Livestock and products	
						Index, 1967=100				
1929	30,580	25.1	12,763	9,360	3,403	54	16	16	26	56
1933	32,393	25.8	12,739	9,874	2,865	55	16	16	25	50
1939	30,840	23.5	11,338	8,611	2,727	60	19	20	27	60
1940	30,547	23.1	10,979	8,300	2,679	62	20	21	27	62
1941	30,118	22.6	10,669	8,017	2,652	64	22	23	28	63
1942	28,914	21.4	10,504	7,949	2,555	70	24	25	30	70
1943	26,186	19.2	10,446	8,010	2,436	68	24	24	31	64
1944	24,815	17.9	10,219	7,988	2,231	69	24	25	31	68
1945	24,420	17.5	10,000	7,881	2,119	70	26	27	31	67
1946	25,403	18.0	10,295	8,106	2,189	72	28	29	32	71
1947	25,829	17.9	10,382	8,115	2,267	70	28	29	33	67
1948	24,383	16.6	10,363	8,026	2,337	76	31	33	34	75
1949	24,194	16.2	9,964	7,712	2,252	73	32	33	35	70
1950	23,048	15.2	9,926	7,597	2,329	73	34	36	37	69
1951	21,890	14.2	9,546	7,310	2,236	73	35	35	39	70
1952	21,748	13.9	9,149	7,005	2,144	75	38	39	40	73
1953	19,874	12.5	8,864	6,775	2,089	77	40	40	42	72
1954	19,019	11.7	8,651	6,570	2,081	78	42	42	43	71
1955	19,078	11.5	8,381	6,345	2,036	80	45	45	46	74
1956	18,712	11.1	7,852	5,900	1,952	82	48	48	49	76
1957	17,656	10.3	7,600	5,660	1,940	82	51	53	50	77
1958	17,128	9.8	7,503	5,521	1,982	89	57	61	54	86
1959	16,592	9.4	7,342	5,390	1,952	89	60	61	59	85
1960	15,635	8.7	7,057	5,172	1,885	93	65	66	62	89
1961	14,803	8.1	6,919	5,029	1,890	94	68	69	66	92
1962	14,313	7.7	6,700	4,873	1,827	95	71	72	71	95
1963	13,367	7.1	6,518	4,738	1,780	98	77	77	77	97
1964	12,954	6.8	6,110	4,506	1,604	97	81	79	83	95
1965	12,363	6.4	5,610	4,128	1,482	102	89	90	86	100
1966	11,595	5.9	5,214	3,854	1,360	97	92	94	93	97
1967	10,875	5.5	4,903	3,650	1,253	100	100	100	100	100
1968	10,454	5.2	4,749	3,535	1,213	101	106	106	105	105
1969	10,307	5.1	4,596	3,419	1,176	101	110	108	112	106
1970	9,712	4.7	4,523	3,348	1,175	101	112	110	121	104
1971	9,425	4.6	4,436	3,275	1,161	110	126	120	130	112
1972	9,610	4.6	4,373	3,228	1,146	109	129	124	138	115
1973	9,472	4.5	4,337	3,169	1,168	110	133	128	144	115
1974	9,264	4.4	4,392	3,076	1,316	104	129	117	156	104
1975 p	8,900	4.2	4,350	3,033	1,317	111	136	130	145	114

[1] Farm population as defined by Department of Agriculture and Department of Commerce, i.e., civilian population living on farms, regardless of occupation.

[2] Total population of United States as of July 1 including Armed Forces overseas.

[3] Includes persons doing farmwork on all farms. These data, published by the Department of Agriculture, Statistical Reporting Service, differ from those on agricultural employment by the Department of Labor (see Table B-24) because of differences in the method of approach, in concepts of employment, and in time of month for which the data are collected. See monthly report on "Farm Labor."

[4] Computed from variable weights for individual crops produced each year.

Sources: Department of Agriculture and Department of Commerce (Bureau of the Census).

TABLE B–86.—*Indexes of prices received and prices paid by farmers, and parity ratio, 1929–75*

[1967=100, except as noted]

Year or month	Prices received by farmers			Prices paid by farmers			Parity ratio [1]	
	All farm products	Crops	Livestock and products	All items, interest, taxes, and wage rates	Family living items	Production items	Actual	Adjusted [2]
1929	58	65	57	47	48	51	92	.....
1933	28	31	25	32	34	34	64	66
1939	37	42	39	36	37	42	77	85
1940	39	44	39	36	38	43	81	88
1941	49	55	50	39	40	45	93	98
1942	63	70	62	44	46	52	105	109
1943	76	85	71	50	52	57	113	116
1944	78	87	71	53	54	60	108	110
1945	81	92	76	56	57	61	109	111
1946	93	104	87	61	63	67	113	115
1947	109	122	104	70	74	78	115	116
1948	113	127	114	76	78	87	110	111
1949	98	111	98	73	75	83	100	100
1950	102	103	101	75	76	86	101	102
1951	119	117	121	82	83	95	107	108
1952	113	118	110	84	84	95	100	101
1953	100	106	97	81	84	89	92	93
1954	97	107	90	81	84	89	89	89
1955	91	102	84	81	84	87	84	85
1956	91	104	82	81	85	87	83	84
1957	92	99	88	84	88	90	82	85
1958	98	99	99	86	89	92	85	88
1959	95	98	93	87	89	93	81	82
1960	94	99	91	88	90	92	80	81
1961	94	100	91	88	90	93	79	83
1962	96	103	92	90	91	94	80	84
1963	96	106	89	91	92	95	78	81
1964	93	106	85	92	93	94	76	80
1965	98	103	94	94	95	96	77	82
1966	105	105	105	98	98	99	80	86
1967	100	100	100	100	100	100	74	80
1968	103	101	104	104	104	102	73	79
1969	108	97	117	109	109	106	74	80
1970	110	100	118	114	114	110	72	77
1971	112	107	116	120	119	115	70	74
1972	126	116	134	126	124	122	74	79
1973	172	164	179	145	138	146	88	91
1974	184	214	164	169	161	172	81	81
1975	181	194	172	185	177	188	73	73
1974: Jan 15	198	208	192	158	149	161	93	93
Feb 15	202	220	190	161	153	162	93	94
Mar 15	193	215	179	162	156	162	89	89
Apr 15	183	203	169	164	157	167	83	83
May 15	174	200	156	165	160	166	79	79
June 15	166	202	142	166	160	168	74	75
July 15	176	206	156	168	161	171	78	78
Aug 15	185	220	161	173	164	179	80	80
Sept 15	181	219	155	175	166	182	77	77
Oct 15	186	230	156	176	167	183	79	79
Nov 15	182	225	153	178	171	183	76	76
Dec 15	178	214	153	179	173	184	74	74
1975: Jan 15	172	201	153	180	173	182	71	71
Feb 15	168	192	151	180	175	180	70	70
Mar 15	165	185	152	179	173	179	69	69
Apr 15	170	188	157	182	173	185	69	70
May 15	178	189	171	183	175	187	72	72
June 15	182	192	176	185	176	190	73	74
July 15	187	199	180	186	178	190	75	75
Aug 15	187	201	179	187	179	192	74	75
Sept 15	194	202	188	189	180	194	76	77
Oct 15	193	199	190	188	180	192	76	76
Nov 15	185	188	184	188	182	192	73	73
Dec 15	187	188	187	189	182	192	74	74

[1] Percentage ratio of index of prices received by farmers to index of prices paid, interest, taxes, and wage rates on 1910–14=100 base.

[2] The adjusted parity ratio reflects Government payments made directly to farmers.

Source: Department of Agriculture.

TABLE B-87.—*Selected measures of farm resources and inputs, 1929–75*

Year	Crops harvested (millions of acres) [1]	Total hours of farm work (billions)	Index numbers of inputs (1967=100)							
			Total	Farm labor	Farm real estate	Mechanical power and machinery	Agricultural chemicals [2]	Feed, seed, and livestock purchases [3]	Taxes and interest	Miscellaneous
1929	365	23.2	99	329	102	39	10	30	71	67
1933	340	22.6	93	320	96	32	6	27	73	64
1939	331	20.7	96	294	101	40	12	40	69	76
1940	341	20.5	97	292	102	42	13	41	70	77
1941	344	20.0	98	288	101	44	14	45	70	77
1942	348	20.6	101	295	99	52	15	47	71	75
1943	357	20.3	102	291	97	55	17	51	74	77
1944	362	20.7	103	289	97	58	20	51	76	80
1945	354	18.8	101	271	97	59	20	53	77	78
1946	352	18.1	99	260	101	58	21	52	78	79
1947	355	17.2	99	246	102	64	24	54	78	81
1948	356	16.8	100	239	102	73	26	55	76	86
1949	360	16.2	103	231	103	80	28	60	79	90
1950	345	15.1	102	217	104	85	30	62	79	86
1951	344	15.2	105	217	104	91	33	66	80	92
1952	349	14.5	105	207	103	95	36	68	82	91
1953	348	14.0	104	200	103	97	37	67	83	90
1954	346	13.3	103	192	103	97	38	70	82	88
1955	340	12.8	103	185	103	98	40	71	85	92
1956	324	12.0	101	174	101	99	41	74	84	88
1957	324	11.1	99	162	101	98	41	73	83	92
1958	324	10.5	98	155	99	98	44	78	85	96
1959	324	10.3	100	151	100	99	50	82	88	100
1960	324	9.8	98	145	99	98	50	82	90	102
1961	302	9.4	98	139	99	95	54	86	91	102
1962	295	9.0	98	133	99	95	59	88	93	105
1963	298	8.7	98	128	99	94	66	89	94	106
1964	298	8.2	98	122	99	94	72	91	96	109
1965	298	7.3	96	109	99	95	77	92	97	107
1966	294	6.9	98	103	99	97	86	97	99	103
1967	306	6.7	100	100	100	100	100	100	100	100
1968	300	6.4	101	97	99	101	106	101	102	106
1969	290	6.2	101	93	98	101	110	103	103	105
1970	293	6.0	101	90	98	100	110	108	104	108
1971	305	5.9	101	89	97	100	120	108	102	107
1972	293	5.7	101	85	95	99	126	108	104	114
1973	321	5.6	102	85	95	102	133	106	102	110
1974	331	5.5	101	83	94	105	138	101	98	99
1975 p	330	5.6	102	84	95	105	136	102	100	100

[1] Acreage harvested (excluding duplication) plus acreages in fruits, tree nuts, and farm gardens.
[2] Fertilizer, lime, and pesticides.
[3] Nonfarm portion of feed, seed, and livestock purchases.

Source: Department of Agriculture.

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TABLE B–88.—*Comparative balance sheet of the farming sector, 1929–76*

[Billions of dollars]

Beginning of year	Assets									Claims			
				Other physical assets			Financial assets						
	Total	Real estate	Livestock [1]	Machinery and motor vehicles	Crops [2]	Household equipment and furnishings	Deposits and currency	U.S. savings bonds	Investment in cooperatives	Total	Real estate debt	Other debt	Proprietors' equities
1929	.....	48.0	6.6	3.2	.....	.....	.....	.....	.....	.....	9.8	.....	.....
1933	.....	30.8	3.0	2.5	.....	.....	.....	.....	.....	.....	8.5	.....	.....
1939	.....	34.1	5.1	3.2	.....	.....	.....	.....	.....	.....	6.8	.....	.....
1940	52.9	33.6	5.1	3.1	2.7	4.2	3.2	0.2	0.8	52.9	6.6	3.4	42.9
1941	55.0	34.4	5.3	3.3	3.0	4.2	3.5	.4	.9	55.0	6.5	3.9	44.6
1942	62.9	37.5	7.1	4.0	3.8	4.9	4.2	.5	.9	62.9	6.4	4.1	52.4
1943	73.7	41.6	9.6	4.9	5.1	5.0	5.4	1.1	1.0	73.7	6.0	4.0	63.7
1944	84.6	48.2	9.7	5.4	6.1	5.3	6.6	2.2	1.1	84.6	5.4	3.5	75.7
1945	94.2	53.9	9.0	6.5	6.7	5.6	7.9	3.4	1.2	94.2	4.9	3.4	85.9
1946	103.5	61.0	9.7	5.4	6.3	6.1	9.4	4.2	1.4	103.5	4.8	3.2	95.5
1947	116.4	68.5	11.9	5.3	7.1	7.7	10.2	4.2	1.5	116.4	4.9	3.6	107.9
1948	127.9	73.7	13.3	7.4	9.0	8.5	9.9	4.4	1.7	127.9	5.1	4.2	118.6
1949	134.9	76.6	14.4	10.1	8.6	9.1	9.6	4.6	1.9	134.9	5.3	6.1	123.5
1950	132.5	75.3	12.9	12.2	7.6	8.6	9.1	4.7	2.1	132.5	5.6	6.8	120.1
1951	151.5	86.6	17.1	14.1	7.9	9.7	9.1	4.7	2.3	151.5	6.1	7.0	138.4
1952	167.0	95.1	19.5	16.7	8.8	10.3	9.4	4.7	2.5	167.0	6.7	8.0	152.3
1953	164.3	96.5	14.8	17.4	9.0	9.9	9.4	4.6	2.7	164.3	7.2	8.9	148.2
1954	161.2	95.0	11.7	18.4	9.2	9.9	9.4	4.7	2.9	161.2	7.7	9.2	144.3
1955	165.1	98.2	11.2	18.6	9.6	10.0	9.4	5.0	3.1	165.1	8.2	9.4	147.5
1956	169.6	102.9	10.6	19.3	8.4	10.5	9.5	5.2	3.2	169.6	9.0	9.8	150.8
1957	177.9	110.4	11.0	20.2	8.3	10.0	9.4	5.1	3.5	177.9	9.8	9.5	158.6
1958	185.8	115.9	13.9	20.2	7.6	9.9	9.5	5.1	3.7	185.8	10.4	10.0	165.4
1959	202.1	124.4	17.7	21.8	9.3	9.8	10.0	5.2	3.9	202.1	11.1	12.5	178.5
1960	204.0	130.6	15.3	22.7	7.7	9.6	9.2	4.7	4.2	204.0	12.0	12.8	179.2
1961	204.8	132.2	15.6	22.2	8.0	8.9	8.7	4.6	4.5	204.8	12.8	13.4	178.6
1962	213.3	138.4	16.4	22.5	8.8	9.1	8.8	4.5	4.8	213.3	13.9	14.7	184.8
1963	222.0	144.3	17.3	23.5	9.3	9.0	9.2	4.4	5.0	222.0	15.1	16.3	190.6
1964	229.8	152.6	15.9	23.9	9.8	8.8	9.2	4.2	5.4	229.8	16.8	17.6	195.4
1965	238.0	161.5	14.5	24.8	9.2	8.6	9.6	4.2	5.6	238.0	18.9	17.9	201.2
1966	254.6	172.8	17.6	26.0	9.7	8.5	10.0	4.1	5.9	254.6	21.2	19.4	214.0
1967	267.5	182.3	19.0	27.4	10.0	8.4	10.3	3.9	6.2	267.5	23.1	21.0	223.4
1968	281.0	192.5	18.8	29.8	9.6	9.1	10.9	3.8	6.5	281.0	25.1	22.3	233.6
1969	295.2	201.4	20.2	31.3	10.6	9.6	11.5	3.8	6.8	295.2	27.4	23.0	244.8
1970	306.1	206.9	23.5	32.3	10.9	9.7	11.9	3.7	7.2	306.1	29.2	23.8	253.1
1971	317.5	215.0	23.7	34.4	10.7	10.1	12.4	3.6	7.6	317.5	30.3	24.1	263.1
1972	343.1	231.5	27.3	36.6	11.8	11.0	13.2	3.7	8.0	343.1	32.2	27.0	283.9
1973	387.5	260.6	34.1	39.3	14.5	12.4	14.0	4.0	8.6	387.5	35.8	29.6	332.1
1974	475.9	325.3	42.4	44.2	22.1	13.3	14.9	4.2	9.5	475.9	41.3	32.8	401.8
1975	520.2	371.4	24.6	55.8	23.2	15.4	15.0	4.3	10.5	520.2	46.3	35.5	438.4
1976 p	594.3	423.3		139.6			31.4			594.3	51.9	38.7	503.7

[1] Beginning with 1961, horses and mules are excluded.

[2] Includes all crops held on farms and crops held off farms by farmers as security for Commodity Credit Corporation loans. The latter on January 1, 1976 totaled approximately $0.1 billion.

Note.—Beginning 1960, data include Alaska and Hawaii.

Source: Department of Agriculture.

TABLE B–89.—*U.S. balance of payments, 1946–75*

[Millions of dollars; quarterly data seasonally adjusted, except as noted]

Year or quarter	Merchandise [1] [2]			Military transactions			Net investment income		Net travel and transportation expenditures	Other services, net [3]	Balance on goods and services [1] [4]	Remittances, pensions, and other unilateral transfers [1]	Balance on current account
	Exports	Imports	Net balance	Direct expenditures	Sales	Net balance	Private [3]	U.S. Government					
1946	11,764	−5,067	6,697	−493	([10])	−493	554	6	733	310	7,807	−2,922	4,885
1947	16,097	−5,973	10,124	−455	([10])	−455	807	50	946	145	11,617	−2,625	8,992
1948	13,265	−7,557	5,708	−799	([10])	−799	975	85	374	175	6,518	−4,525	1,993
1949	12,213	−6,874	5,339	−621	([10])	−621	989	73	230	208	6,218	−5,638	580
1950	10,203	−9,081	1,122	−576	([10])	−576	1,146	78	−120	242	1,892	−4,017	−2,125
1951	14,243	−11,176	3,067	−1,270	([10])	−1,270	1,317	151	298	254	3,817	−3,515	302
1952	13,449	−10,838	2,611	−2,054	([10])	−2,054	1,267	140	83	309	2,356	−2,531	−175
1953	12,412	−10,975	1,437	−2,615	192	−2,423	1,283	166	−238	307	532	−2,481	−1,949
1954	12,929	−10,353	2,576	−2,642	182	−2,460	1,594	213	−269	305	1,959	−2,280	−321
1955	14,424	−11,527	2,897	−2,901	200	−2,701	1,775	180	−297	299	2,153	−2,498	−345
1956	17,556	−12,803	4,753	−2,949	161	−2,788	2,054	40	−361	447	4,145	−2,423	1,722
1957	19,562	−13,291	6,271	−3,216	375	−2,841	2,174	4	−189	482	5,901	−2,345	3,556
1958	16,414	−12,952	3,462	−3,435	300	−3,135	2,008	168	−633	486	2,356	−2,361	−5
1959	16,458	−15,310	1,148	−3,107	302	−2,805	2,147	68	−821	573	310	−2,448	−2,138
1960	19,650	−14,758	4,892	−3,087	335	−2,753	2,270	17	−964	612	4,073	−2,300	1,774
1961	20,108	−14,537	5,571	−2,998	402	−2,596	2,832	105	−978	628	5,563	−2,514	3,048
1962	20,781	−16,260	4,521	−3,105	656	−2,448	3,177	134	−1,155	845	5,074	−2,628	2,446
1963	22,272	−17,048	5,224	−2,961	657	−2,304	3,227	98	−1,312	996	5,930	−2,742	3,188
1964	25,501	−18,700	6,801	−2,880	747	−2,133	3,926	9	−1,149	1,078	8,533	−2,769	5,764
1965	26,461	−21,510	4,951	−2,952	830	−2,122	4,143	26	−1,284	1,426	7,140	−2,841	4,299
1966	29,310	−25,493	3,817	−3,764	829	−2,935	3,543	55	−1,332	1,404	4,552	−2,917	1,635
1967	30,666	−26,866	3,800	−4,378	1,152	−3,226	3,865	41	−1,751	1,652	4,880	−3,107	1,273
1968	33,626	−32,991	635	−4,535	1,392	−3,143	3,941	63	−1,548	1,671	1,620	−2,933	−1,313
1969	36,414	−35,807	607	−4,856	1,528	−3,328	3,471	156	−1,763	1,878	1,020	−2,976	−1,956
1970	[12] 42,469	[12] −39,866	[12] 2,603	−4,855	1,501	−3,355	3,631	−112	−2,023	2,220	2,966	−3,248	−281
1971	43,311	−45,579	−2,268	−4,819	1,926	−2,893	5,659	−956	−2,315	2,537	−237	−3,642	−3,879
1972	49,388	−55,797	−6,409	−4,784	1,163	−3,621	6,208	−1,888	−3,024	2,803	−5,930	−3,779	−9,710
1973	71,379	−70,424	955	−4,658	2,342	−2,317	8,188	−3,009	−2,862	3,222	4,177	−3,841	335
1974	98,309	−103,586	−5,277	−5,103	2,944	−2,158	13,351	−3,229	−2,692	3,830	3,825	[13] −7,182	[13] −3,357
1973:													
I	15,423	−16,334	−911	−1,174	347	−827	1,953	−629	−714	767	−361	−755	−1,116
II	16,958	−17,189	−231	[14] −1,236	455	[14] −781	1,967	−759	−779	749	166	−1,015	−849
III	18,451	−17,737	714	−1,072	531	−541	1,964	−801	−667	884	1,553	−900	653
IV	20,547	−19,164	1,383	−1,177	1,009	−168	2,304	−820	−702	823	2,820	−1,173	1,647
1974:													
I	22,464	−22,587	−123	−1,166	663	−503	4,014	−769	−513	886	2,992	[13] −2,966	[13] 26
II	24,218	−25,677	−1,459	−1,324	678	−646	2,745	−781	−717	936	78	−1,865	−1,787
III	25,034	−27,349	−2,315	−1,279	766	−513	3,161	−807	−721	960	−235	−1,265	−1,500
IV	26,593	−27,973	−1,380	−1,335	837	−498	3,431	−872	−741	1,049	989	−1,088	−99
1975:													
I	27,188	−25,358	1,830	−1,303	954	−349	2,165	−989	−572	1,093	3,178	−1,175	2,003
II	25,692	−22,314	3,378	−1,209	804	−405	2,235	−843	−393	1,043	5,015	−1,183	3,832
III p.	26,716	−24,690	2,026	−1,113	1,241	128	2,572	−794	−480	1,095	4,547	−1,047	3,500

[1] Excludes military grants.
[2] Adjusted from Census data for differences in timing and coverage.
[3] Fees and royalties from U.S. direct investments abroad or from foreign direct investments in the United States are excluded from net investment income and included in other services, net.
[4] In concept, equal to net exports of goods and services in the national income and product accounts, although the two series may differ because of revisions, special handling of certain items, etc.
[5] Excludes liabilities to foreign official reserve agencies.
[6] Private foreigners exclude the International Monetary Fund (IMF), but include other international and regional organizations.
[7] Includes liabilities to foreign official agencies reported by U.S. Government and U.S. banks and U.S. liabilities to the IMF arising from reversible gold sales to, and gold deposits with, the United States.
[8] Official reserve assets include gold, special drawing rights, convertible currencies, and the U.S. gold tranche position in the IMF. Minus sign indicates increase.

(Footnotes continued on following page.)

TABLE B–89.—*U.S. balance of payments, 1946–75*—Continued

[Millions of dollars; quarterly data seasonally adjusted, except as noted]

Year or quarter	Long-term capital flows, net		Balance on current account and long-term capital	Nonliquid short-term private capital flows, net [9]	Allocations of special drawing rights (SDR)	Errors and omissions, net	Net liquidity balance **	Liquid private capital flows, net [9]	Official reserve transactions balance **	Changes in liabilities to foreign official agencies, net [7]	Changes in U.S. official reserve assets, net [8]	U.S. official reserve assets, net (unadjusted, end of period) [9]
	U.S. Government [8]	Private [6]										
1946				−253		155					−623	20,706
1947				−236		861					−3,315	24,021
1948				−131		1,115					−1,736	25,758
1949				158		717					−266	26,024
1950				75		−124					1,758	24,265
1951				−227		354					−33	24,299
1952				−41		497					−415	24,714
1953				183		220					1,256	23,458
1954				−556		60					480	22,978
1955				−328		371					182	22,797
1956				−479		390					−869	23,666
1957				−174		1,012					−1,165	24,832
1958				−145		361					2,292	22,540
1959				−89		260					1,035	21,504
1960	−885	−2,100	−1,211	[11] −1,405		−1,060	[11] −3,677	[11] 273	−3,403	1,258	2,145	19,359
1961	−885	−2,182	−20	[11] −1,200		−1,032	[11] −2,252	[11] 904	−1,348	742	606	18,753
1962	−882	−2,606	−1,043	[11] −657		−1,165	[11] −2,864	[11] 214	−2,650	1,117	1,533	17,220
1963	−1,151	−3,376	−1,339	[11] −968		−406	[11] −2,713	[11] 779	−1,934	1,557	377	16,843
1964	−1,352	−4,511	−100	−1,643		−954	−2,696	1,162	−1,534	1,363	171	16,672
1965	−1,539	−4,577	−1,817	−154		−506	−2,478	1,188	−1,290	67	1,222	15,450
1966	−1,478	−2,778	−2,621	−104		575	−2,151	2,370	219	−787	568	14,882
1967	−2,337	−2,909	−3,973	−522		−189	−4,683	1,265	−3,418	3,366	52	14,830
1968	−2,164	1,190	−2,287	231		446	−1,611	3,252	1,641	−761	−880	15,710
1969	−1,949	−44	−3,949	−640		−1,492	−6,081	8,820	2,739	−1,552	−1,187	16,964
1970	−2,045	−1,434	−3,760	−482	867	−476	−3,851	−5,988	−9,839	7,362	2,477	14,487
1971	−2,376	−4,383	−10,637	−2,347	717	−9,698	−21,965	−7,788	−29,753	27,405	2,348	12,167
1972	−1,334	−69	−11,113	−1,542	710	−1,884	−13,829	3,475	−10,354	10,322	32	13,151
1973	−1,490	177	−977	−4,238		−2,436	−7,651	2,343	−5,308	5,099	209	14,378
1974	[13] 1,119	−8,463	−10,702	−12,936		4,698	−18,940	10,543	−8,397	9,831	−1,434	15,883
1973:												
I	−334	57	−1,393	−1,543		−3,875	−6,811	−3,818	−10,629	10,409	220	12,931
II	54	−290	−1,085	−1,497		863	−1,719	2,270	551	−568	17	12,914
III	−442	1,706	1,917	59		−150	1,826	492	2,318	−2,305	−13	12,927
IV	−769	−1,297	−419	−1,257		726	−950	3,399	2,449	−2,434	−15	14,378
1974:												
I	[13] 1,411	264	1,701	−3,908		1,014	−1,193	1,745	552	−342	−210	14,588
II	484	−999	−2,302	−5,265		1,313	−6,254	2,054	−4,200	4,558	−358	14,946
III	83	−2,157	−3,574	−1,458		1,135	−3,897	4,014	117	886	−1,003	15,893
IV	−860	−5,570	−6,529	−2,305		1,236	−7,598	2,730	−4,868	4,731	137	15,883
1975:												
I	−474	−2,199	−670	1,929		2,067	3,326	−6,587	−3,261	3,586	−325	16,256
II	−354	−2,431	1,047	−970		843	920	−2,634	−1,714	1,743	−29	16,242
III p	−563	−1,357	1,580	−1,335		−37	208	4,711	4,919	−4,577	−342	16,291
IV p											89	16,226

[9] Includes increases (in millions) as follows: for 1969, $67 resulting from revaluation of the German mark in October 1969; for 1971, $28 in dollar value of foreign currencies revalued to reflect market exchange rates as of December 31, 1971; for 1972, $1,016 resulting from change in par value of the dollar on May 8, 1972; and for 1973, $1,436 resulting from change in par value of the dollar on October 18, 1973.

Beginning July 1974, valuation of SDR and reserve position in the IMF based on a weighted average of exchange rates for the currencies of 16 member countries. On a pre-July 1974 basis, reserve assets for December 31, 1974 are $15,812 million and for December 31, 1975, $16,366 million.

[10] Not available separately.

[11] Coverage of liquid banking claims for 1960–63 and of liquid nonbanking claims for 1960–62 is limited to foreign currency deposits only; other liquid items are not available separately and are included with nonliquid claims.

[12] Data beginning 1970 not strictly comparable with earlier data.

[13] Includes extraordinary U.S. Government transactions with India.

[14] Includes return import into the United States, at a depreciated value of $22 million, of aircraft originally reported in 1970 III sales as a long-term lease to Australia.

**These balances have been used to measure exchange market pressures on the dollar. Under current floating exchange rate conditions, these pressures are inadequately reflected in the balances.

Sources: Department of Commerce (Bureau of Economic Analysis) and Department of the Treasury.

TABLE B–90.—*U.S. merchandise exports and imports by commodity groups, 1958–75*

[Millions of dollars; monthly data seasonally adjusted]

Year or month	Merchandise exports [1]					Merchandise imports					Merchandise trade balance		
	Total domestic and foreign exports [2]	Domestic exports				General imports [6]					Exports less imports, customs value	Exports less imports, f.a.s.	Exports less imports, c.i.f.
		Total [2,3]	Food, beverages, and tobacco	Crude materials and fuels [4]	Manufactured goods [5]	Total [3]	Food, beverages, and tobacco	Crude materials and fuels [4]	Manufactured goods [5]	Total, c.i.f. value [7]			
	F.a.s. value [8]					Customs value							
1958	16,375	16,211	2,688	3,052	11,547	13,392	3,550	4,164	5,311	.....	2,983	.....	.....
1959	16,426	16,243	2,852	2,996	11,179	15,690	3,580	4,615	7,117	.....	736	.....	.....
1960	19,659	19,459	3,167	3,942	12,583	15,073	3,392	4,418	6,863	.....	4,586	.....	.....
1961	20,226	19,982	3,466	3,864	12,784	14,761	3,455	4,334	6,537	.....	5,465	.....	.....
1962	20,986	20,717	3,743	3,356	13,668	16,464	3,674	4,691	7,649	.....	4,522	.....	.....
1963	22,467	22,182	4,188	3,775	14,297	17,207	3,863	4,755	8,070	.....	5,260	.....	.....
1964	25,832	25,479	4,637	4,337	16,529	18,749	4,022	5,029	9,106	.....	7,083	.....	.....
1965	26,742	26,399	4,519	4,273	17,433	21,427	4,013	5,440	11,244	.....	5,315	.....	.....
1966	29,490	29,054	5,186	4,404	19,218	25,618	4,590	5,718	14,446	.....	3,872	.....	.....
1967	31,030	30,646	4,710	4,726	20,844	26,889	4,701	5,367	15,756	28,745	4,141	.....	2,283
1968	34,063	33,626	4,592	4,865	23,818	33,226	5,365	6,031	20,624	35,320	837	.....	−1,257
1969	37,332	36,788	4,446	5,006	26,785	36,043	5,308	6,391	23,011	38,241	1,289	.....	−909
1970	42,659	42,025	5,058	6,692	29,344	39,951	6,230	6,542	25,907	42,429	2,708	.....	230
1971	43,549	42,911	5,076	6,441	30,443	45,563	6,404	7,268	30,414	48,342	−2,014	.....	−4,793
1972	49,199	48,399	6,569	7,091	33,740	55,583	7,379	8,338	37,767	58,862	−6,384	.....	−9,663
1973	70,823	69,730	12,938	10,735	44,731	69,476	9,235	13,446	45,001	73,573	1,348	.....	−2,752
1974	97,908	96,545	15,233	15,802	63,523	100,997	10,701	31,842	56,202	107,996	−3,089	.....	−10,088
						F.a.s. value [8]							
1974	97,908	96,545	15,233	15,802	63,523	100,251	10,708	32,064	55,223	107,996	−3,089	−2,343	−10,088
1975 [9]	106,981	.....	16,786	15,403	70,808	95,410	9,995	32,329	50,791	102,838	10,771	11,571	4,143
1974: Jan.	7,150	.....	1,299	1,096	4,499	6,498	836	1,695	3,748	7,019	613	652	132
Feb.	7,549	.....	1,329	1,269	4,717	7,318	896	2,066	4,028	7,882	174	231	−333
Mar.	7,625	.....	1,308	1,238	4,796	7,742	1,055	2,204	4,222	8,311	−160	−117	−685
Apr.	8,108	.....	1,326	1,330	5,138	8,025	881	2,880	4,214	8,639	44	83	−531
May	7,652	.....	1,199	1,328	4,962	8,265	931	2,739	4,452	8,921	−674	−612	−1,269
June	8,317	.....	1,231	1,374	5,407	8,577	923	2,839	4,679	9,257	−318	−260	−940
July	8,307	.....	1,236	1,381	5,387	8,922	942	2,948	4,834	9,612	−659	−615	−1,305
Aug.	8,379	.....	1,182	1,318	5,602	9,267	899	3,103	5,092	10,000	−964	−888	−1,620
Sept.	8,399	.....	1,102	1,224	5,659	8,696	783	2,860	4,952	9,372	−369	−297	−972
Oct.	8,673	.....	1,250	1,265	5,889	8,773	716	3,007	4,961	9,451	−193	−100	−779
Nov.	8,973	.....	1,396	1,560	5,845	8,973	940	3,003	5,044	9,656	−100	.....	−683
Dec.	8,862	.....	1,378	1,332	5,812	9,257	943	2,985	5,062	9,943	−460	−395	−1,081
1975: Jan.	9,412	.....	1,735	1,595	5,747	9,622	796	3,589	4,793	10,365	−247	−211	−953
Feb.	8,789	.....	1,526	1,319	5,658	7,872	794	2,417	4,286	8,441	879	917	348
Mar.	8,716	.....	1,388	1,356	5,573	7,336	821	1,864	4,441	7,894	1,294	1,380	822
Apr.	8,570	.....	1,368	1,184	5,732	8,013	777	2,951	4,051	8,800	482	557	−230
May	8,145	.....	1,146	1,197	5,467	7,093	728	2,441	3,828	7,631	967	1,052	514
June	8,692	.....	1,177	1,154	6,044	6,954	893	1,967	3,951	7,491	1,651	1,737	1,200
July	8,885	.....	1,267	1,248	6,097	7,908	830	2,714	4,191	8,494	916	977	391
Aug.	8,996	.....	1,380	1,344	5,997	7,961	786	2,710	4,193	8,569	985	1,035	427
Sept.	9,165	.....	1,355	1,204	6,091	8,189	1,003	3,117	4,049	8,812	910	976	353
Oct.	9,288	.....	1,509	1,186	6,306	8,212	841	2,912	4,332	8,840	1,000	1,076	448
Nov.	9,409	.....	1,538	1,332	6,194	8,299	894	2,953	4,440	8,933	1,036	1,110	477

[1] Beginning 1960, data have been adjusted for comparability with the revised commodity classifications effective in 1965.
[2] Total excludes Department of Defense shipments of grant-aid military supplies and equipment under the Military Assistance Program.
[3] Total includes commodities and transactions not classified according to kind.
[4] Includes fats and oils.
[5] Includes machinery, transportation equipment, chemicals, metals, and other manufactures. Export data for these items include military grant-aid shipments.
[6] Total arrivals of imported goods other than intransit shipments.
[7] C.i.f. (cost, insurance, and freight) import value at first port of entry into United States. Data for 1967–73 are estimates.
[8] F.a.s. (free alongside ship) value basis at U.S. port of exportation for exports and at foreign port of exportation for imports.
[9] Seasonally adjusted annual rate for 11 months.

Note.—Data are as reported by the Bureau of the Census adjusted to include silver ore and bullion reported separately prior to 1969. Export statistics cover all merchandise shipped from the U.S. customs area, except supplies for U.S. Armed Forces. Exports include shipments under Agency for International Development and Food for Peace programs as well as other private relief shipments.

Source: Department of Commerce (Bureau of the Census and Bureau of International Economic Policy and Research).

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TABLE B–91.—*U.S. merchandise exports and imports by area, 1969–75*

[Millions of dollars]

Area	1969	1970	1971	1972	1973	1974	1975 Jan.–Nov.
Exports (domestic and foreign and special category shipments)	38,006	43,224	44,130	49,759	71,339	98,507	98,380
Developed countries	26,479	30,877	30,335	34,319	47,209	63,021	59,273
Canada [1]	9,137	9,079	10,365	12,415	15,104	19,936	19,956
Western Europe [2]	12,392	14,463	14,178	15,361	21,359	28,637	27,285
Japan	3,490	4,652	4,055	4,963	8,313	10,679	8,834
Australia, New Zealand, and Republic of South Africa	1,460	1,683	1,737	1,580	2,432	3,769	3,198
Developing countries [3]	11,277	12,993	13,410	14,556	20,963	32,695	35,904
Petroleum exporting countries	2,451	2,659	2,932	3,375	4,540	8,140	11,422
Other countries	8,826	10,334	10,478	11,181	16,423	24,555	24,482
Other Western Hemisphere	5,576	6,532	6,485	7,275	9,929	15,809	15,651
Near East	1,344	1,423	1,816	1,954	3,041	5,557	8,168
East and South Asia	3,495	4,029	4,047	4,373	6,600	9,196	9,272
Developing Africa	819	940	1,009	898	1,334	2,044	2,709
Socialist areas in Europe and Asia	249	354	384	883	2,491	2,239	2,745
Unidentified countries [1]					677	552	458
General imports	36,043	39,952	45,563	55,583	69,476	100,251	87,265
Developed countries	26,460	29,259	33,744	40,822	48,530	59,786	50,838
Canada	10,384	11,092	12,691	14,927	17,715	21,929	19,728
Western Europe [2]	10,138	11,169	12,658	15,423	19,286	23,521	18,823
Japan	4,888	5,875	7,259	9,064	9,676	12,338	10,223
Australia, New Zealand, and Republic of South Africa	1,050	1,123	1,136	1,408	1,853	2,000	2,064
Developing countries [3]	9,373	10,442	11,549	14,356	20,313	39,443	35,626
Petroleum exporting countries	2,384	2,516	3,060	3,729	6,309	20,488	19,381
Other countries	6,989	7,926	8,489	10,627	10,004	18,955	16,245
Other Western Hemisphere	5,163	5,836	6,038	7,003	9,607	18,403	14,752
Near East	383	371	593	773	1,396	4,740	4,779
East and South Asia	3,039	3,397	3,941	5,264	7,043	10,242	9,229
Developing Africa	762	860	930	1,253	2,180	5,941	6,755
Socialist areas in Europe and Asia	198	227	229	354	593	1,007	790
Unidentified countries [4]	12	24	41	51	40	15	11

[1] Beginning January 1973, transshipments of certain grains and oilseeds through Canada are shown as exports to unidentified countries.
[2] Includes Finland, Yugoslavia, Greece, and Turkey.
[3] Includes developing countries in Oceania.
[4] Consists of certain low-valued shipments not identified by country.

Note: Exports are f.a.s. (free alongside ship); 1959–73 imports are Customs values, generally the market value in the foreign country; and 1974–75 imports are transaction values f.a.s. Petroleum exporting developing countries are as follows: OPEC (Organization of Petroleum Exporting Countries)—Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela; and other petroleum exporting developing countries—Angola, Bahamas, Bahrain, Brunei, Egypt, Leeward and Windward Islands, Netherlands Antilles, Oman, Trinidad and Tobago, and Tunisia.

Source: Department of Commerce (Bureau of the Census and Bureau of International Economic Policy and Research).

TABLE B–92.—*International reserves, 1969–75*

[Millions of U.S. dollars; end of period]

Area and country	1969	1970	1971	1972	1973	1974	1975 November
All countries	78,637	93,210	131,503	159,025	183,668	220,617	224,103
Industrialized countries [1]	55,003	65,806	94,154	105,808	115,505	119,909	120,159
United States	16,964	14,487	13,190	13,150	14,378	16,058	16,252
Canada	3,106	4,679	5,701	6,050	5,768	5,825	5,414
Japan	3,654	4,840	15,360	18,365	12,246	13,519	12,958
Austria	1,530	1,751	2,343	2,718	2,873	3,430	4,093
Belgium	2,388	2,847	3,473	3,870	5,100	5,345	5,772
France	3,833	4,960	8,253	10,015	8,529	8,852	12,219
Germany	7,129	13,610	18,657	23,785	33,171	32,398	31,316
Italy	5,045	5,352	6,820	6,085	6,436	6,941	5,241
Netherlands	2,529	3,241	3,796	4,785	6,547	6,957	7,049
Scandinavian countries (Denmark, Norway, and Sweden)	1,855	2,058	2,986	3,755	5,428	4,600	5,996
Switzerland	4,425	5,132	6,966	7,557	8,520	9,011	8,186
United Kingdom	2,527	2,827	6,582	5,647	6,476	6,939	5,630
Other Europe	4,743	5,571	8,656	12,753	16,191	15,025	13,036
Australia, New Zealand, and South Africa	2,870	2,962	4,520	8,263	7,824	6,068	5,884
Less developed areas	16,021	18,871	24,174	32,201	44,146	79,615	85,025
Oil exporting countries	4,291	5,226	8,697	11,221	14,933	48,007	55,234
Iran	310	208	621	960	1,236	8,384	8,634
Nigeria	132	222	429	376	583	5,626	5,728
Saudi Arabia	607	662	1,444	2,500	3,877	14,285	
Venezuela	933	1,021	1,522	1,732	2,412	6,513	8,737
Other [2]	2,309	3,113	4,681	5,653	6,825	13,199	
Other Western Hemisphere	3,345	4,291	4,759	7,887	11,656	11,001	8,612
Other Middle East	1,458	1,581	2,126	2,834	4,343	4,945	5,384
Other Asia	5,374	5,828	6,818	8,203	10,610	12,767	13,146
Other Africa	1,553	1,945	1,773	2,056	2,603	2,896	2,648

[1] Includes Luxembourg.

[2] Algeria, Bahrain, Ecuador, Gabon, Indonesia, Iraq, Kuwait, Libya, Oman, Qatar, Trinidad and Tobago, and United Arab Emirates.

Note.—International reserves is comprised of monetary authorities' holdings of gold, special drawing rights (SDR) reserve positions in the International Monetary Fund, and foreign exchange. Conversions from national currencies to U.S. dollars from December 1971 through January 1973 are calculated at the cross rates reflecting the parities and central rates agreed in December 1971. From February 1973 through June 1974, the intention is to reflect the cross rates of parities or central rates for countries having effective parities or central rates and market rates for others. Beginning July 1974, foreign exchange is valued at end-of-month market rates or in the absence of market rate quotations at prevailing official rates. Gold is valued throughout at SDR 35 per ounce, equivalent to US$38 per ounce from December 1971 through January 1973, to US$42.22 per ounce from February 1973 through June 1974, but to the respective US$/SDR transactions value as measured by the "basket" valuation of the SDR beginning July 1974. Data exclude U.S.S.R., other Eastern European countries, Mainland China, and Cuba (after 1960).

Source: International Monetary Fund, "International Financial Statistics."

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TABLE B–93.—*U.S. reserve assets, 1946–75*

[Millions of dollars]

End of year or month	Total reserve assets	Gold stock [1]		Special drawing rights (SDR) [3]	Convertible foreign currencies [4]	Reserve position in International Monetary Fund [5]
		Total	Treasury [2]			
1946	20,706	20,706	20,529	----------	----------	----------
1947	24,021	22,868	22,754	----------	----------	1,153
1948	25,758	24,399	24,244	----------	----------	1,359
1949	26,024	24,563	24,427	----------	----------	1,461
1950	24,265	22,820	22,706	----------	----------	1,445
1951	24,299	22,873	22,695	----------	----------	1,426
1952	24,714	23,252	23,187	----------	----------	1,462
1953	23,458	22,091	22,030	----------	----------	1,367
1954	22,978	21,793	21,713	----------	----------	1,185
1955	22,797	21,753	21,690	----------	----------	1,044
1956	23,666	22,058	21,949	----------	----------	1,608
1957	24,832	22,857	22,781	----------	----------	1,975
1958	22,540	20,582	20,534	----------	----------	1,958
1959	21,504	19,507	19,456	----------	----------	1,997
1960	19,359	17,804	17,767	----------	----------	1,555
1961	18,753	16,947	16,889	----------	116	1,690
1962	17,220	16,057	15,978	----------	99	1,064
1963	16,843	15,596	15,513	----------	212	1,035
1964	16,672	15,471	15,388	----------	432	769
1965	15,450	[6] 13,806	[6] 13,733	----------	781	[6] 863
1966	14,882	13,235	13,159	----------	1,321	326
1967	14,830	12,065	11,982	----------	2,345	420
1968	15,710	10,892	10,367	----------	3,528	1,290
1969	[7] 16,964	11,859	10,367	----------	[7] 2,781	2,324
1970	14,487	11,072	10,732	851	629	1,935
1971	[7] 12,167	10,206	10,132	1,100	[7] 276	585
1972	[7] 13,151	[7] 10,487	[7] 10,410	[7] 1,958	241	[7] 465
1973	[7] 14,378	[7] 11,652	[7] 11,567	[7] 2,166	8	[7] 552
1974	[8] 15,883	11,652	11,652	[8] 2,374	5	[8] 1,852
1975	[8] 16,226	11,599	11,599	[8] 2,335	80	[8] 2,212
1975: Jan	15,948	11,635	11,635	2,403	2	1,908
Feb	16,132	11,621	11,621	2,444	2	2,065
Mar	16,256	11,620	11,620	2,423	19	2,194
Apr	16,183	11,620	11,620	2,393	2	2,168
May	16,280	11,620	11,620	2,438	4	2,218
June	16,242	11,620	11,620	2,418	25	2,179
July	16,084	11,618	11,618	2,329	2	2,135
Aug	16,117	11,599	11,599	2,321	28	2,169
Sept	16,291	11,599	11,599	2,301	247	2,144
Oct	16,568	11,599	11,599	2,365	413	2,191
Nov	16,592	11,599	11,599	2,336	423	2,234
Dec	[8] 16,226	11,599	11,599	[8] 2,335	80	[8] 2,212

[1] Includes gold sold to the United States by the International Monetary Fund (IMF) with the right of repurchase and gold deposited by the IMF to mitigate the impact on the U.S. gold stock of purchases by foreign countries for gold subscriptions on increased IMF quotas.

[2] Prior to December 1974, excludes gold held by the Exchange Stabilization Fund (ESF). In December 1974, the Treasury acquired all the gold held by the ESF.

[3] Includes initial allocation on January 1, 1970 of $867 million, second allocation on January 1, 1971 of $717 million, and third allocation on January 1, 1972 of $710 million of special drawing rights (SDR) in the Special Drawing Account in the IMF, plus or minus transactions in SDR.

[4] Includes holdings of Treasury and Federal Reserve System.

[5] The United States has the right to purchase foreign currencies equivalent to its reserve position in the Fund automatically if needed. Under appropriate conditions the United States could purchase additional amounts equal to the United States quota.

[6] Reserve position includes, and gold stock excludes, $259 million gold subscription to the Fund in June 1965 for a U.S. quota increase which became effective on February 23, 1966.

[7] Includes increases (in millions) as follows: for 1969 $67 resulting from revaluation of German mark in October 1969 ($13 in mark holdings); for 1971 $28 in dollar value of foreign currencies revalued to reflect market exchange rates as of December 31, 1971; for 1972 $1,016 in total assets resulting from the change in par value of the U.S. dollar on May 8, 1972, ($828 million total gold stock, $822 million Treasury gold stock, $155 million SDR, and $33 million reserve position); for 1973 $1,436 in total assets resulting from the change in par value of the dollar on October 18, 1973 ($1,165 million total gold stock, $1,157 million Treasury gold stock, $217 million SDR, and $54 million reserve position).

[8] Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of 16 member countries. SDR holdings and reserve position in the IMF are also valued on this basis beginning July 1974. At valuation used prior to July 1974 (SDR 1=$1.20635), end of month values are (in millions):

	Total reserve assets	SDR	Reserve position in IMF
1974: Dec	15,812	2,338	1,817
1975: Dec	16,366	2,404	2,283

Note.—Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States.

Sources: Department of the Treasury and Board of Governors of the Federal Reserve System.

TABLE B–94.—*International investment position of the United States at year-end, 1960 and 1970–74*

[Billions of dollars]

Type of investment	1960	1970	1971	1972	1973	1974 [1]
Net international investment position of the United States [2]	44.7	67.8	56.1	49.7	61.9	77.6
U.S. assets abroad	85.6	165.4	179.5	199.5	225.3	264.6
Nonliquid assets	66.2	148.6	163.3	180.6	203.2	234.9
U.S. Government	16.9	32.1	34.2	36.1	38.8	38.3
Long-term credits	14.0	29.7	31.8	34.1	36.2	36.3
Foreign currencies and other short-term assets	2.9	2.4	2.4	2.0	2.6	2.0
Private long-term	44.5	103.6	114.5	127.8	142.6	160.0
Direct investments abroad	31.9	75.5	83.0	90.5	103.7	118.6
Foreign securities	9.6	21.0	23.5	27.6	27.9	28.8
Other claims [3]	3.1	7.2	8.0	9.7	11.1	12.6
Private short-term nonliquid claims [3]	[4] 4.8	12.8	14.6	16.7	21.8	36.6
Liquid assets	19.4	16.9	16.1	18.9	22.1	29.7
Private claims [3]	(4)	2.4	4.0	5.7	7.7	13.8
U.S. monetary reserve assets	19.4	14.5	12.2	[5] 13.2	[5] 14.4	[5] 15.9
Gold	17.8	11.1	10.2	[5] 10.5	[5] 11.7	11.7
Special drawing rights (SDR)		.9	1.1	[5] 2.0	[5] 2.2	[5] 2.4
Convertible currencies		.6	.3	.2	.0	.0
Gold tranche position in IMF	1.6	1.9	.6	[5] .5	[5] .6	[5] 1.9
U.S. liabilities to foreigners	40.9	97.7	123.3	149.9	163.5	187.0
Nonliquid liabilities to other than foreign official agencies	19.8	50.7	55.5	67.0	71.0	68.0
U.S. Government	.8	2.0	1.5	1.7	2.9	3.6
Private long-term	18.4	44.8	50.1	60.8	62.8	57.2
Direct investments in the United States	6.9	13.3	13.9	14.9	18.3	21.7
U.S. securities	10.0	25.6	30.1	38.8	36.8	28.1
Other liabilities [3]	1.6	5.9	6.1	7.1	7.7	7.4
Private short-term nonliquid [6]	.6	3.9	3.9	4.5	5.3	7.2
Liquid liabilities to private foreigners and liquid, other readily marketable, and nonliquid liabilities to foreign official agencies	21.0	47.0	67.8	82.9	92.5	119.0
To private foreigners	9.1	22.6	16.6	21.3	25.6	42.4
To foreign official agencies	11.9	24.4	51.2	61.6	66.8	76.6
Liquid	11.9	20.6	47.6	57.3	61.9	70.4
Other readily marketable		.7	.1	.5	1.7	2.3
Nonliquid, reported by U.S. Government		3.1	3.5	3.7	3.2	3.9

[1] Preliminary.
[2] Includes U.S. gold stock.
[3] Reported by U.S. banks and nonbanking concerns.
[4] Liquid claims are not available separately and are included with nonliquid claims.
[5] Reserve assets include increases from changes in the par value of the dollar, as officially implemented; on May 8, 1972, the increase totaled $1,016 million, consisting of $828 million gold stock, $155 million SDR, and $33 million gold tranche position in IMF; and on October 18, 1973, the increase was $1,436 million, consisting of $1,165 million gold stock, $217 million SDR, and $54 million gold tranche position in IMF. Beginning July 1974, the IMF values SDR on the basis of weighted averages of exchange rates for currencies of 16 member countries.
[6] Reported by U.S. nonbanking concerns.

Source: Department of Commerce, Bureau of Economic Analysis.

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TABLE B–95.—*Price changes in international trade, 1967–75*

[1963=100]

Area or commodity class	1967	1968	1969	1970	1971	1972	1973	1974	1975 Third quarter
	Unit value indexes by area								
Developed areas									
Total:									
Exports	105	104	108	114	119	130	156	197	214
Terms of trade [1]	101	101	101	102	101	102	101	89	92
United States:									
Exports	110	111	115	121	125	129	150	191	214
Terms of trade [1]	102	103	103	101	99	95	94	80	84
Developing areas									
Total:									
Exports	103	103	106	109	116	128	167	325	[3] 337
Terms of trade [1]	100	101	101	100	102	99	108	143	[2] 132
Latin America:									
Exports	105	106	109	115	122	129	177	279	.....
Terms of trade [1]	100	99	100	101	101	.....	.....	.....	.....
Southern and Eastern Asia:									
Exports	99	97	102	106	108	113	152	222	.....
Terms of trade [1]	99	100	102	104	104	.....	.....	.....	.....
	World export price indexes								
Primary commodities: Total	101	100	103	108	115	130	188	295	297
Foodstuffs	104	101	104	111	117	132	191	248	240
Coffee, tea, and cocoa	108	110	119	136	119	132	174	202	229
Cereals	105	100	98	96	100	111	203	286	259
Other agricultural commodities [3]	96	96	101	101	105	120	184	219	205
Fats, oils, and oilseeds	102	99	101	118	118	116	197	299	222
Textile fibers	88	88	85	83	85	109	186	183	161
Wool	77	74	73	63	57	88	183	134	124
Rubber	75	74	98	78	64	65	129	139	118
Minerals	103	102	104	111	127	141	181	477	515
Metal ores	109	108	114	122	126	134	161	216	239
Fuels	101	100	100	108	127	143	188	553	593
Manufactured goods: Total [4]	107	107	110	117	124	134	156	186	[2] 220
Nonferrous base metals [4]	142	150	175	180	154	154	222	281	218

[1] Terms of trade indexes are unit value indexes of exports divided by unit value indexes of imports.
[2] Data are for second quarter 1975.
[3] Includes forest products.
[4] Data for manufactured goods are unit value indexes.

Note.—Data exclude trade of socialist areas in Eastern Europe (except Yugoslavia) and Asia.

Sources: United Nations and Department of Commerce (Bureau of International Economic Policy and Research and Bureau of Resources and Trade Assistance).

TABLE B–96.—*Consumer price indexes in the United States and other major industrial countries, 1955–75*

[1970=100]

Period	United States	Canada	Japan	France	Germany	Italy	Netherlands	United Kingdom
1955	69.0	69.9	52.6	50.4	70.1	62.2	57.8	59.0
1956	70.0	70.9	52.8	51.4	71.9	64.3	58.9	61.9
1957	72.5	73.2	54.4	53.2	73.3	65.2	62.7	64.2
1958	74.5	75.0	54.2	61.2	75.0	67.0	63.8	66.2
1959	75.1	75.9	54.7	65.0	75.7	66.7	64.3	66.5
1960	76.3	76.7	56.7	67.3	76.7	68.2	66.4	67.2
1961	77.0	77.1	59.7	69.5	78.5	69.7	67.0	69.5
1962	77.9	78.0	63.8	72.9	80.9	72.9	68.3	72.5
1963	78.8	79.4	69.2	76.4	83.3	78.3	70.9	73.9
1964	79.9	80.8	71.9	79.0	85.2	83.0	74.8	76.3
1965	81.3	82.8	76.7	81.0	88.1	86.7	78.7	80.0
1966	83.6	85.9	80.6	83.2	91.2	88.8	83.3	83.1
1967	86.0	88.9	83.8	85.4	92.5	91.6	86.0	85.2
1968	89.6	92.6	88.3	89.3	93.9	92.8	89.1	89.2
1969	94.4	96.8	92.9	95.0	96.4	95.2	95.8	94.0
1970	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1971	104.3	102.9	106.3	105.5	105.3	105.0	107.5	109.5
1972	107.7	107.8	111.5	111.7	111.1	110.9	115.9	117.0
1973	114.4	116.0	124.5	119.9	118.8	122.4	125.2	126.7
1974	127.0	128.6	153.4	136.3	127.1	146.2	137.2	147.0
1975 [1]	138.6	142.0	171.0	151.7	134.4	169.8	150.2	183.0
1973: I	110.7	111.9	116.9	115.9	116.0	117.5	121.3	122.2
II	113.1	114.5	122.7	118.2	118.2	121.3	124.9	125.2
III	115.6	117.7	126.5	121.1	119.3	123.6	125.9	127.7
IV	118.3	119.8	131.9	124.4	121.7	127.2	128.8	131.8
1974: I	121.6	122.7	144.1	129.0	124.6	133.6	131.9	137.2
II	125.0	126.8	150.5	134.3	126.6	140.8	135.9	145.3
III	128.9	130.6	156.1	138.7	127.8	150.4	138.3	149.4
IV	132.6	134.2	162.7	143.1	129.5	160.0	142.8	156.1
1975: I	135.0	137.1	165.3	147.0	132.0	164.9	145.8	166.9
II	137.1	140.1	171.0	150.6	134.5	169.3	149.9	182.7
III	140.1	144.9	172.7	153.9	135.5	172.9	152.9	190.8
IV [2]	142.3	147.6	176.9	156.8	136.5			196.1

[1] For United States, 12-month average; for all other countries, January–November average, except Italy and the Netherlands, January–September average.
[2] October–December average for United States; and October–November average for all other countries.

Sources: Department of Labor and Organization for Economic Cooperation and Development.

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